Indian Finance Year-Book
1939

ANNUAL SUPPLEMENT TO
"INDIAN FINANCE"

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PREFACE

The 1939 edition of the *Indian Finance Year-Book* is issued in a period of grave unsettlement in the national and international, in the political as well as the economic spheres. Ever since the *Year-Book* was first issued in 1932, it has been our aim not only to enlarge its scope and improve the quality of its contents, but also to re-orientate, from time to time, the plan of this publication to the changes in the objectives of national economic policy. It was in this spirit that, with the inauguration of provincial autonomy, more and more information relevant to the economic policies of responsible popular governments was incorporated in the *Year-Book*. The adoption of the policy of economic planning by the Congress Governments and the appointment of the National Planning Committee marked another vital change to which the plan of the *Year-Book* had likewise to be adapted anew. But the problems raised by economic planning are so fundamental, complicated and far-reaching that they have had to be tackled in the National Planning Series of which two numbers are issued in 1939. Only the changes which lie outside the scope of planning as such, *e g* new trends in provincial taxation, are examined at length in the present *Year-Book*. With the outbreak of the European war and resignation of the Congress ministries the inchoate character of present conditions has suffered a disconcerting accentuation which precludes any radical changes in the plan of the 1939 *Year-Book*.

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INDIAN ECONOMY IN 1938-39

The year 1938-39 was undoubtedly the most remarkable in the post-war era Politically, it was unique for its painful uncertainty, nervous tension, fear of war and growth of international brigandage by Germany The world went through two major political crises, each one of which threatened to lead to a world conflagration and complete disruption of civilisation What the statesmen and diplomats of Europe could do in September, 1938 and March 1939 was only to postpone the terrible day of a declaration of open warfare to September of this year Economically, the year saw a partial check to the recession and as such, had a pleasing feature about it Business recovery from the great post-1929 depression continued from 1932 until 1937 and then gave place to a recession which, in many respects was comparable to the first stages of the depression in 1929 and 1930 The countries which depended on the production and export of primary commodities were adversely affected by the rapid decline in the demand for their products by the industrialised customers, and India, too, had her share of the effects of this recession

But by the middle of 1938 this downward movement was reversed The exceptionally rapid decline of production in the U S A gave place to a rise, the rapidity of which was equally remarkable France which experienced practically no recovery since 1932, also showed signs of looking up Great Britain under the influence of rearmament witnessed remarkable activity and even smaller countries with such varied economic structures as Canada, Sweden, Belgiug, the Netherlands, Denmark, Bulgaria, Estonia, Finland, and Roumania enjoyed prosperous conditions

Such a phenomenal development in the world's economy is attributable to two causes, the recovery programme of the American President and the stimulus of rearmament The causes themselves do not have much significance here. The American experiment at reflation and the stimulus of armament programme to industry are by themselves important subjects fit for an independent study, but whatever the reasons may be, the fact that the recession had been arrested effectively, despite the highly unfavourable influences of political tension, invests the year 1938-39 with a special significance

India experienced in a full measure the full effects of the world recession, shared in the world's nervousness and uncertainty arising from developments on the political front, looked to the U S A in anxiety for signs of favourable influences, entertained the hopes of an early recovery and when it did come, shared in it to the full All the major signs of recession and recovery were present in India's economy though the indications of recession were rather more pronounced than those of prosperity Firstly, it is more characteristic of any period of depression that wholesale prices should show a decline and in this respect the recent recession was not an exception, nor was this downward trend absent in India As a predominantly agricultural country she suffered from the political tension in the continent of Europe and prices of many of India's staple articles remained on a low level Foreign trade declined to an exceptionally low level and the balance of trade, though it continued to be favourable, had dwindled to an alarmingly great extent The export of gold, too, fell off during the year so that the Government's problem of remitting money became at one time acute The overvaluation of the rupee was also pronounced, when in the middle of April, 1938 the Reserve Bank accepted a tender of £10,000 sterling at 1s 6 3/32d, as against the previous rate of 1s 6¼d, which rate had remained unchanged since March, 1935 The fall in the prices of commodities and the consequent drop in the purchasing power of the masses combined to augment the severity of the recession which reached its peak point towards the close of 1938 But towards the close of the first quarter of 1939 and throughout the second and third quarter of the current,

year, the depressing factors have largely given place to encouraging signs Prices have recovered though not sharply, at least steadily Wholesale price indices registered higher levels, prices of export commodities and industrial commodities rose, industrial activity was also widespread and industries in general, though not prosperous, have left depression far behind

Owing to the separation of Burma from April 1937, the trade statistics of the last two years are not comparable with those of the earlier years, but the figures given by the Department of Commercial Intelligence, can be taken as reasonably correct estimates for a basis of comparison And these reveal how deep India was in the throes of this recession The total value of India's foreign trade in merchandise amounted to Rs 322 crores in the year 1938-39 compared with Rs 363 crores in 1937-,8 and 336 crores in 1936-37. Thus the total trade of the year is the smallest in the last three years though it is greater than the trade in 1935-36 when it amounted to only Rs 304 crores. Both exports and imports registered declines of almost equal magnitude Total exports to all countries including Burma amounted to Rs 163 crores as compared with Rs 181 crores in the preceding year and Rs 185 crores in 1936 37, a fall that is mainly attributable to the recession in business activity and the consequent fall in demand from India's customers abroad Imports declined by Rs 21 crores to Rs 152 crores as compared with the previous year, mainly due to the fall in the purchasing power of the Indian masses The following table shows the trade in merchandise and treasure (both private) for the last four years —

FOREIGN TRADE OVER FOUR YEARS

(In Rs Lakhs)

	1935-36	1936-37	1937-38	1938 39
Exports of Indian Merchandise (private)	+149.55	+185,05	+180,93	+162,93
Re-exports of Foreign Merchandise (private)	+4,70	+7,24	+8 28	+6,42
Imports of Foreign Merchandise (private) (*a*)	−149,14	−141,10	173,33	151,79
Balance of trade in Merchandise (private)	+5,11	+51,19	+15,88	+17,56
Gold (private)	+37,31	+27,86	+16,34	+13,05
Silver (private)	−2,19	−14 39	−2,26	1,75
Currency notes (private)	+29	+24	+28	+58
Balance of transactions in treasure (private)	+35 41	+13,71	+14,36	+11,88
Total visible balance of trade	+40,52	+64,90	+30,24	+29 44

Note,—The sign + means net exports and the sign − net imports (*a*) Exclusive of the value of railway materials imported direct by State Railways working under company management, which was not paid for in the ordinary way and was not therefore taken into account in arriving at the visible balance of trade

Among the active steps taken by the Government of India to restore India's foreign trade to its rightful place by free negotiations with other countries and thus assist exports must be mentioned the signing of the Indo-British trade agreement on March 20, 1939 The most striking feature of the Agreement is that it has drastically reduced the list of preferences granted to the United Kingdom under the Ottawa Agreement considerably; for instance, the old Agreement involved preferences on 106 tariff items which are now reduced to 20 only The Agreement itself has been criticised as being only of doubtful value, but that the era of Imperial Preference has been ended though not in fact at least in theory is a welcome sign Trade Agreements are due to be concluded with India's neighbours like Burma, Ceylon, Afghanistan, but the effects of the Indo-British Trade Agreement have not so far made their mark on the foreign trade of India. Perhaps, this year's trade figures may afford some clue when these are completely available

As in the case of foreign trade internal trade too declined, though not to the same extent, the fall in the quantity of trade in important commodities being only 4 million maunds from 785 million maunds in 1937-38 to 781 million maunds The fall is largely due to the falling off in the trade in coal and coke by nearly 14 million maunds, raw jute and gunny bags and cloth accounting for a million maunds and sugar for another million and a half maunds This decline, however, was offset by increases in the transport of oilseeds and trade in iron and steel, but the general tendency has not been anything like satisfactory

The trend of price levels brings out vividly the general business conditions prevailing in the country during the year, but in considering the course of price levels, it is important to distinguish between the prices

of industrial commodities and primary commodities, for it is well-known that industrial prices take longer to fall than primary prices Thus, the price of raw cotton at Bombay stood at Rs 165 at the end of March, 1938 and at Rs 153 in March, 1939, a decline of 7 per cent, though the average price for 1938-39 was only Rs 153 as compared with Rs 187 for the preceding year, representing a fall of 18 per cent The average price of wheat (Lyallapur white) declined from Rs 3-1-0 in 1937-38 a maund to Rs 2-2-11 in 1938-39, a fall of 29 per cent. The average price of groundnut declined by 17 per cent and that of linseed by over 10 per cent The short crop of rice helped to maintain the price levels of rice stable and similarly the shortage in sugar maintained prices of this commodity from falling Jute stands on a different category altogether as but for the Government's Ordinance fixing minimum prices for both raw jute and jute manufactures the prices of this commodity would have slided down to very low levels Prices of all agricultural commodities probably reached their bottom in the year 1938-39.

Not so steep, however, is the fall in the prices of industrial commodities The largest decrease in prices was under coal, the index of coal prices falling from 108 in March 1938 to 88 in March, 1939 or by nearly 19 per cent Prices of iron and steel kept steady throughout the year, the latter half of the year witnessing even a slight rise Cotton manufactures declined only slightly from 96 at the end of March, 1938 to 90 by the end of March, 1939 Sugar and jute are the two exceptions, governed as they are by special conditions The following table showing the wholesale price indices in Calcutta and Bombay is vividly illustrative of the price trends during the year —

WHOLESALE PRICES

Average	Calcutta July 1914 = 100	Calcutta 1929 = 100	Bombay July 1914 = 100	Bombay 1929 = 100
1938—				
March	96	68 1	100	69 0
April	94	66 7	101	69 7
May	94	66 7	100	69 7
June	94	66 7	100	69 0
July	95	67 4	100	69 0
August	94	66 7	100	69 0
September	95	67 4	101	69 7
October	95	67 4	100	69 0
November	95	67 4	99	68 3
December	95	67 4	101	69 7
1939—				
January	95	67 4	100	69 0
February	97	68 8	99	68 3
March	96	68 1	99	68 3

From the above table it is clear that the trend of wholesale prices in India during the year under review was generally downward Hides and skins declined in value by 21 per cent and wheat by 19 per cent Prices of raw jute and jute manufactures declined by 12½ per cent and 7½ per cent and those of tea, cotton manufactures and oilseeds by 10 per cent, 9 per cent and 8 per cent respectively. Other items declined to a smaller extent, the exceptions being the minor items of "other textiles" (wool and silk) and "other food articles" which fell off in value by 34 and 13 per cent respectively. Sugar, however, was up by 29 per cent, due to special causes like crop shortage, but on the whole, most of the items included in the Calcutta Index registered declines in 1938, the largest being mostly under primary commodities such as raw cotton, wheat, raw jute, tea and oilseeds.

The same trend of downward movement is witnessed in the indices of export prices and import prices which are generally considered as a much truer reflection of the internal level of agricultural and industrial prices as far as India is concerned than the course of wholeseale index numbers On May, 1938 the export index stood at 68 or nearly 28 per cent less than the highest point The recovery in the American commodity markets which started in June and spread to other countries had a stimulating effect on Indian export prices and the index two rose to 75 in June, 1938 in the following month at which level it remained till September The international crisis in that month with its aftermath of nervousness and lack of confidence reversed the recovery in most markets and Indian export prices declined from November and by February, 1939 they have dropped back to 68, the level that ruled in May, 1938

Improvement was in evidence in March when it advanced to 71. The trend of import prices also was not far dissimilar to that of export prices From 90 in August of 1938 the import prices declined bringing down the index to 73 in February 39 at which level it remained unchanged till March Thus import prices and export prices did not move in perfect accord which only emphasises that the prices of manufactured articles move only sluggishly compared to agricultural or primary commodities

India thus witnessed during 1938-39 the phenomena of a dwindling foreign trade, both in exports and exports, a steady decline in the prices of primary commodities but comparative steadiness in the price of manufactured articles, a fall in the level of wholesale prices and a decrease in the purchasing power of the masses An inevitable consequence of such a state of affairs is a forced increase in the productive activity in the country as the fall in the export value can only be offset by increased production That the progress of recession was arrested also acted as a much needed stimulus to productive activity The production of cotton piecegoods attained a record figure in this year amounting to 4,269 million yards as compared with 4,084 milion yards in the preceding year Production of finished steel also attained a new record, eclipsing the 1937-38 record figure of 872,000 tons by 63,000 tons, an increase of 7 per cent. Coal raisings again attained the higest figure for the last ten years amounting to 24 8 million tons as compared with 23 5 million tons in 1937-38 Production of paper was also a record, though the output of sugar declined Thus, apart from the two important exceptions of sugar and Jute production of most other industries was on a high level during 1938-39 A concomitant of this increased productive activity was a large increase in the strikes and labour disputes, the number of disputes at 399 in 1938 being the highest on record. The number of men involved was, however, much smaller being only 401,000 but since the strikes were of a longer duration in 1938, the number of working days lost was greater being 9,199,000 as against 8,982,000 in 1937

The picture so far presented gives the idea that though the rest of the world have left the recession far behind by the end of 1938, India was still in the throes of it even in the midle of 1939 There has been a falling export trade, a dwindling internal trade, lower price levels and reduced pur chasing power These certainly are not the indices of prosperity and if 1938-39 was the last of the recession years as far as the world was concerned, India, was still in the throes of recession throughout the year A reasoning on these lines, though correct for all apparent purposes, is only true partly, for though the normally accepted indications of prosperity were absent, real recovery was in evidence, or had already started by the first quarter of 1939 The rearmament demand in Europe was a stimulant and the export figures for the last quarter of 1939 were certainly more encouraging than in the first two or three quarters The revival of activity in the jute trade was attributable to the increased demand from the United Kingdom, though it is not the sole cause The inevitability of war and the feverish haste with which the nations started preparing themselves for the inevitable denouement certainly acted as a stimulus but the absence of statistical data to prove it is due to the time lag that there must be between the initial start of the prosperity wave and its complete spread to the entire field of India's economy The full effects of this increased activity will only be evident in the statistical data for the first and second quarter of 1939-40.

The outbreak of the war in Europe and the determination that the Allies have shown to crush Hitlerism even should it take three years, have brought about a complete change in the economy of India and the future outlook The turn round the corner is complete and what was only faintly discerned in early 1939 has been now fully confirmed The stream of orders, that is pouring has raised the question of Indian economy from the plane of merely emerging from the throes of depression to one of wider implication, namely, establishing new industries wherever necessary or possible, and stabilising existing industries and generally consolidating Indian industries A fuller discussion of the effects of war and the opportunities it affords and the actual use that India makes of it, properly belong to the current year and has to be postponed for the next Year Book

WORLD ECONOMY IN TRANSITION

THE economic historian of the future, when he comes to adjudge the progress of world economy in the fourth decade of this century, will find it no easy task—so numerous and diverse have been the developments in the several strands of world economy and so difficult it is to assess the extent and the direction in which economic progress has been achieved But there can be no doubt that no other decade has witnessed economic experimentation on so impressive a scale and whatever be the results of these experiments, the claim can hardly be denied that control of national economies has progressed to a degree which would probably have shocked the economists of yore In fiscal policy and monetary management, regulation is practically complete and if greater progress towards a freer and sounder economic order was not possible, it was because of a lack of a real consensus of opinion in its favour and also because of the large cleavages on the political front Its direct result was the abnormal emphasis on what are called autarchic conceptions, which inevitably caused a narrowing down of outlook and with it the creation of a number of safety valve devices designed to insulate national economies from the stresses and strains which an inharmonious economic order must perforce set up The rise of the dictatorships was largely responsible for a number of new alignments in general economic policy, but neither can the other nations wholly escape blame for their tragic inability to evolve economic policies that would promote mutual wellbeing The existence of bilateral trade agreements and of most-favoured-nation treatment clauses in the commercial relationships of some of the great Powers is an instance in point

It was thus inevitable that attention came to be concentrated exclusively on manipulation of whatever sort and in all spheres This art of management has been carried almost to the point of perfection in the monetary sphere ; and to the extent that a stable external value for currencies has contributed to smoother trade relationships, progress has been made But the world is still far from the stage when it could claim to have hit upon the means of avoiding recurrent economic depressions , and, in spite of the incomparable contributions of academic economists on this fascinating subject, and in spite of the valiant New Deal experiments of Mr Roosevelt in America, economic statesmen can hardly claim that a cure for depression has been found and that stability of prices and of purchasing power can be assured No wonder then that belief in the existence of a trade cycle still persists, despite the obviously unscientific touch about it In the academic camp, of course, disputations have been many as to the relative merits of *laissez faire* and collectivist economic planning , and it is significant that Mr J B Condliffe in a recent address to the International Chamber of Commerce has taken a partial swing away from collectivist and free-trade economics to a modified form of it, which is in a sense midway between the two extremes Apparently, economic thought has not developed sufficiently to put forth a recipe for depressions Even to-day, it is doubtful whether all the lessons of the Great Depression have been taken to heart —and the fiscal year 1938-39 saw the progress of another depression, that save for its mild intensity, was not far unlike its predecessor A system that never really had recovered from the Great Depression in the sense of rising above the need for control and regulation and was at a loss to know how to stabilise recovery when it did come, was saved at the brink of another great depression only by the huge armament expenditures and by the fear of ever imminent war World economy, which was hovering fitfully between the play of natural forces and that of obstinate controls, had even in March, 1939 to adjust itself slowly to the war that even then was coming on

The year 1938-39 differed from its

fore-runners in some essential details Alike for the innumerable developments in the purely financial sphere, and for the violent changes in currency values all the world over, all no doubt caused by the recurrent political crises, 1938-39 is unique There was no dearth of crises, political or financial, but as the nations were forewarned, the adverse effects of these crisis on the monetary system were in most cases fully cushioned

The year 1938-39 differed from the other years in some other details The post 1929 depression lasted up to 1932 in which year the first traces of a business recovery were witnessed 1932-37 witnessed the progress of this recovery, after which came a recession, which many still hesitate to characterise as a depression owing to its hesitant course and occasional spasms of improved activity In 1938-39, the progress of this recession was arrested and business recovery was witnessed in most countries, and this year's survey is, to that extent, a pleasant record of the steps taken by the world to arrest the decline and help a revival. The recession of 1937-38 has features comparable with those of the 1929-31 depression But if it has been shortlived it is necessary to examine how the recession was arrested and what form the efforts towards this end took in different parts of the world

Depression in both instances first started with the U S A and spread gradually to the majority of industrialized countries. And since depression in an industrialised country results in a decline in the purchasing power, the countries which depend upon the production and export of primary commodities were adversely affected and as their demand for imports showed the usual delay in adjusting itself to the lower value of their exports, they were faced again with a severe pressure upon their foreign exchange position But in the case of the 1937 recession two factors accounted for the arrest of its progress; which were absent in the case of the 1928-30 depression Firstly, the U S A administration was prompt in initiating a policy of monetary expansion and of increased expenditure on public works and other civil purposes This policy in the U S A was soon accompanied by similar changes in other countries. In 1930, on the other hand, there was no such conscious attempt to offset depression by a liberal public works programme; on the contrary, there were deflationary measures compulsorily undertaken by the states, the stability of whose currencies were threatened by the cessation of foreign lending and export of internal capital The second decisive factor that influenced the arrest of the recession was State expenditure on armaments No doubt, in countries like the United Kingdom and France and the U S A, expenditure on armaments had not developed on the same scale as in the totalitarian States Nevertheless, the substantial increases in expenditure on armaments during 1938 and the prospect of still greater increases during this year constituted an important factor in the maintenance of economic activity.

Exceptions there are, to this generalisation In France, for instance, one necessary condition for a rehabilitation of the national economy was a reduction of interest rates, an easing of the internal monetary conditions and a reversal of the social policy that the short-lived Blum Cabinet initiated By stabilising the currency, increasing the working hours in factories and decreasing wages, M. Reynaud initiated a series of economic and financial measures. The release from restrictive controls did the trick in France and expenditure on armament only accelerated the pace of progress In the case of Germany, the effect of the recession in the free countries was only indirect, through the reduced demand for German exports Nazi Germany has a closed economy and since armament equipment has been the accepted policy, the effect of trade recession was reflected in the excess of imports, which had to be financed in large part by the use of gold and foreign exchange gained from the incorporation of Austria and Czechoslovakia Internal adjustment, however, was not possible in her case since all possible adjustments had already been made, with the result that the effects of depression in the outside world could be met only by increased government controls and stricter rationing of raw materials and food-stuffs not to mention the later development of issuing tax certificates Japan, too, was similarly placed as Germany, her problem being to finance the import of essential commodities and maintain expenditure on armaments The measures taken were not dissimilar to those adopted by Germany. Raw material supplies were strictly rationed; limitations were placed on domestic consumption; there were some unimportant increases in taxation; there was a vigorous savings campaign; and

Government bonds were sold in exceptionally low denominations Adjustment, however, was not so easy in the case of agricultural countries that depended for their prosperity upon export of their products These countries met the situation by allowing their currencies to depreciate or by imposing or strengthening measures of exchange control States like the Argentine, Australia, New Zealand, India and Ecuador lost considerable amounts of their gold holdings In these states, the recovery from the effects of the recession is attributable more to the working of natural forces than to conscious efforts or expenditure on armaments

But these are only exceptions The pace had been set by the U S A and the U K In the one it was the reversal of monetary policy, from restriction to one of expansion, and in the other it was armament expenditure The one is normal, the other is abnormal If the war had not intervened, the progress that the U S A initiated would have been maintained and have spread its beneficial effects to other countries as well , but the war has brought in a new factor Economic fluctuations are no longer subject to the laws of a normal or peace economy The tendencies of war economy had already begun to make their mark even towards the close of 1938

The effect of this tendency on the trading position of countries is revealed by the formation of economic *blocs* Empire trade has become more important in the cases of such countries as the United Kingdom, France, the Netherlands and Italy Such trade has been encouraged by preferential tariffs, and most favoured nation treatment Currency stability itself stimulates trade and since successful commercial agreements are easily effected between members of the same currency *bloc* the progress in this direction has indeed been rapid Those who cannot boast of an empire have the institution of exchange controls and exchange clearing to fall back upon as in the case of Germany and Italy Thus, in foreign trade, where economists and politicians have deplored the tendency towards canalisation of trade and have hoped to see some liberalisation of it through removal of trade barriers, they had to content themselves with the spectacle of two distinct commercial policies developing and operating side by side with full vigour—on the one hand, there are countries such as Germany whose trade is organised bilaterally through clearing and quantitative control of imports, whose foreign exchanges are closely regulated and whose exports are frequently directly subsidised, while on the other there are countries, typified by the U S A whose foreign exchanges remain uncontrolled and whose imports are restricted by the tariff rather than by quantitative quotas Commercial policy has been increasingly influenced by the desire to increase self-sufficiency in case of war, and multilateral or free trade has thus had one more year of restrictions, superseded as it has been by bilateral trade pacts The U K has, of late, shown certain signs of relaxing her desire to preserve her empire's trade to herself by seeking to free the Dominions from some of the fetters of Imperial preference The Agreements concluded with the U S A last year and the responsibilities assumed under the Export Credits Guarantee Bill, give the impression that the system of Imperial Preference has given place to one of liberal agreements The League economic Survey mentions this fact as a salutary instance of a liberal tendency in the field of international trade, but it is perhaps a moot point whether the liberalism displayed by Great Britain springs from a genuine desire to free international trade from its present shackles or actuated merely by diplomatic considerations dictated by war or near-war conditions Perhaps too much of optimism that international trade can once again be free at least in the near future may not be warranted , for now that the war is on, control has been the watchword and measures that might savour of totalitarianism in peace time automatically acquire sanction in wartime, so that during the currency of the war, not only is trade bound to be canalised, but business activity will be increasingly conditioned by war considerations

1938-39 has thus demonstrated that recession could be tackled by well-directed monetary policies and planned expenditure, that the immediate effects of a business regression have been as satisfactorily withstood as the ultimate effects and that armament spending is not always necessary to stimulate business revival though the contrary may indeed appear to be the case These are valuable lessons that cannot fail to leave their impress on financiers and economists who may be destined to guide the affairs of States

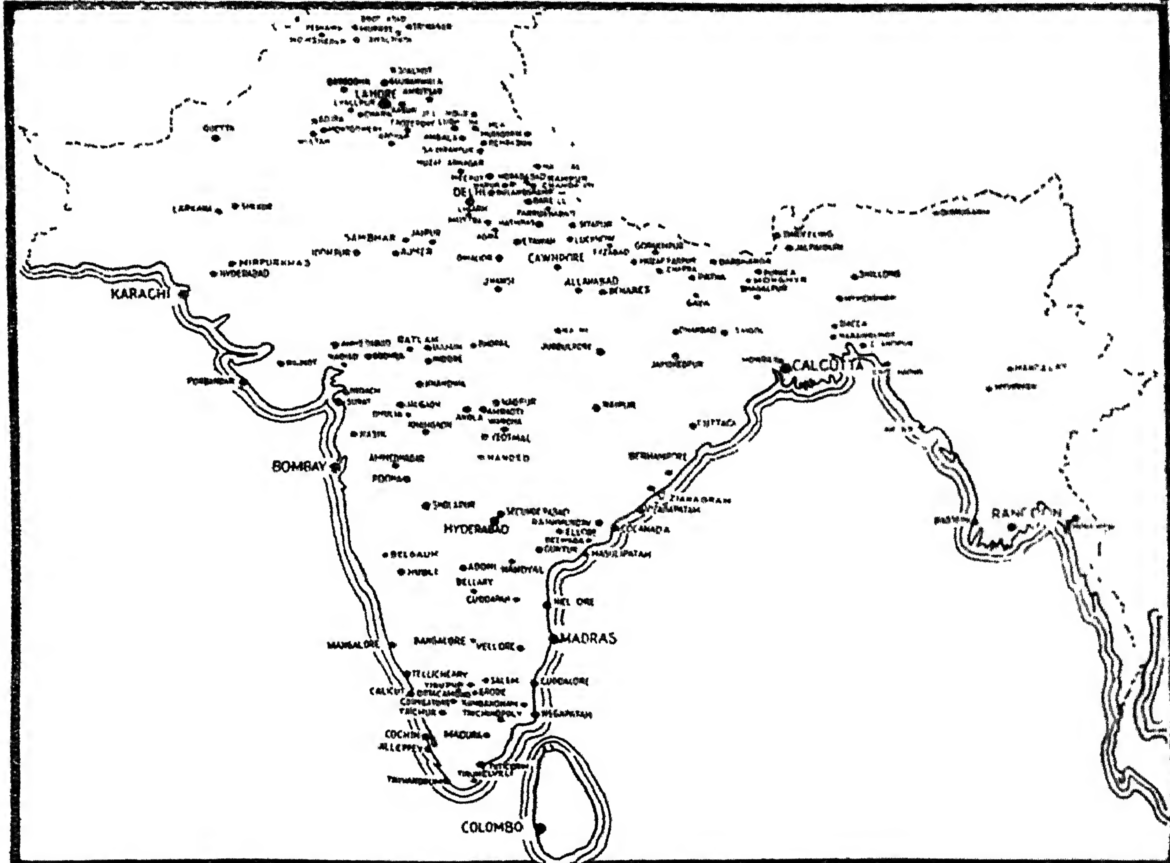
IMPERIAL BANK OF INDIA

CONSTITUTED UNDER THE IMPERIAL BANK OF INDIA ACT, 1920

For the purpose of taking over the undertakings of the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843)

Authorised Capital	Rs	11,25,00,000	Reserve Fund	Rs	5,57,50,000
Paid-up Capital	,,	5,62,50,000	Reserve Liability of Shareholders	,,	5,62,50,000

BANKING FACILITIES OF EVERY DESCRIPTION



OVER 350 BRANCHES AND SUB-OFFICES THROUGHOUT INDIA, BURMA AND CEYLON

INTERNATIONAL FINANCE IN 1938-39

"International Finance in 1938-39" can convey but an inadequate idea of the host of developments in the monetary world, which the year under review witnessed As the year which saw sharp changes in the financial fortunes of most countries and, in particular, in the values of world currencies, 1938-39 has an enduring interest for the historian, an interest which is further heightened by the impact of colossal rearmament expenditures on currency values and financial stability in general Alike in the degree of perfection which monetary management had attained in the more important countries, in the steady rehabilitation of gold in world economy, and in the multifarious developments on the Anglo-American monetary front, the past year has a unique interest The largescale movements of capital to America, with their concomitant in mammoth additions to the gold holdings of the United States, the frequent doubts about the gold policy of the Administration were, no doubt, the direct result of the recurrent political crises in Europe And their most obvious result was the steady depreciation of sterling, despite the precautions taken by the U K authorities France staged a wonderful recovery, back to financial solvency, thanks to the complexion of the ruling government and also to the patriotism of the Frenchman, and capital, under M Reynaud's regime, flowed back to France to make money cheap there, and generally, to augment the resources of the Treasury sufficient to foot the bill of a colossal rearmament programme without impairing national solvency It was inevitable that the recovery of the franc had to be partly at the expense of the sterling which had enough difficulties in other directions Of the Continental currencies, the guilder and the belga were, doubtless, susceptible to recurrent bouts of weakness, due to Amsterdam's attraction as a centre for refugee capital in the first instance, and, in the case of the belga, due partly to the instability of government and, partly, to the movement in favour of the franc, which tended to depress the belga

It would thus be seen that the fortunes of the dollar, the pound, franc, belga and guilder were closely interlinked The fear of war was responsible for the currents that swayed currencies and for the switching off of capital on a large scale across the Atlantic Gold naturally came into its own The importance of 1938-39 for world finance resides, therefore, in its being both a year of unsettlement and one of preparation for the upheaval that lay not far ahead of 1938-39

First, to begin with trade, the downward trend of economic activity, that commenced in the middle of 1937 and became more pronounced towards the close of 1938, seemed partly to have been arrested by June, 1938, when the U S A experienced the first symptoms of a recovery movement in the offing From that month, there was an improvement in stock and commodity prices and a rise in industrial activity, all of which were subsequently duly reflected in an upswing of trade in many countries September, however, was full of political shocks, which could not but undermine the power of the new recovery movement, and on the eve of Munich, the markets of the world, including those of India, experienced severe declines in prices all round Gilt-edged securities sagged heavily, the sterling-dollar rate went down, the fight of capital to New York was in full swing and tons of gold were exported to America During the September crisis, the British 3½ per cent War Loan fell from £99 to £90 in the course of a single day, while the sterling-dollar rate sank to $4 60 from $4 73 overnight And this appreciation of the dollar had in fact been going on for some time previously, owing to the unfavourable balance of payments position for the U K and owing to a suspicion of overvaluation in the pound as against the dollar

Rearmament Finance

The Munich settlement of the Czech crisis, however, brought relief and a new spell of economic activity commenced For, Munich more than ever emphasised the backwardness of British defences , and Britain had to take as much advantage of the twilight peace ushered in by Munich as she could, to further her defences Hence the remarkable intensification of British rearmament programme during the last quarter of 1938 The mammoth defence expenditure of more than £600 millions had its inevitable effect on industrial activity in the U K and employment figures went up In fact, so quickly were the nation's resources of employment used up and so fully that, by the close of the fiscal year, economists like Professor Cassell had no doubt that Britain was in for a period of inflation During this period, markets were generally depressed as a result of the increasing dominance exercised by political trends over them , and the economies of all countries underwent a transformation whose main course was towards self-sufficiency The autarchic conception gained more adherents, as the "controlled" economy of the totalitarian countries seemed to have acquired an unsuspected amount of economic potential Exchange control, bilateral treaties, clearing agreements and the whole host of devices, with which fascist countries buttressed their economies weakened by the strain of rearmament, gained in publicity though not in popularity The subservience of economics to politics was becoming more and more complete

Capital Movements

While this is the broad trend of national economies in their reactions to the political phenomena, there have been a number of unique developments in the purely monetary sphere—developments that make 1938-39 easily the most memorable year since England went off the gold standard The financial vicissitudes of the sterling-dollar axis were indeed such as to overshadow every other development and to these we must now address ourselves The mammoth gold and capital movements between America and the European countries, the slow and steady fall in the external value of sterling, and the changes in French financial history, all bore the full impress of a new congeries of financial circumstances, of the birth of a new monetary order struggling to be born against the dogged clinging of financiers to old ideas of monetary functioning—ideas that day after day were feeling the full impact of the growing need for change A correct, even if pedantic, commentary of world finance in 1938-39 should really commence with the dying convulsions of the dollar scare that began in 1937 and end with the summary exit of Dr Schacht from the Reichsbank These points of arrival and departure are symbolical of the new phase whose chief characteristic is the putting away of the old notions of currency management and trade

U S. Gold Policy

The most outstanding feature of the year is, however, the definite rehabilitation of gold in monetary affairs In 1938, gold may be said to have come into its own And for this development, the monetary policy of the U S A was not a little responsible Not only did the devaluation scare die down, but the readiness of the Americans to recognise the importance of gold was the chief factor in international finance There was a lurking uneasiness no doubt, but that was dispelled by the publication of the correspondence between Mr Morgenthau, Secretary of the U S Treasury, and Senator Wagner, in which Mr Morgenthau made the Treasury's policy explict In 1938, U S Gold stocks increased by \$1750 millions, which really exceeded the world production that year And during the first few months of 1939, there was a further increase of \$1300 millions, so that by May, the U S stocks of gold amounted to 65 per cent of the world's stocks It is this that prompted Senator Wagner to ask why the Treasury should not stop its gold purchases As Chairman of the Senate Committee on Banking and Currency, Senator Wagner's question had particular significance ; and Mr Morgenthau's replies can therefore be taken as tantamount to a true declaration of official policy

Here we can only summarise them At the outset, the Secretary pointed out that the continued influx of gold to the U S A was really the corollary of a movement of capital to the States, which itself was a reflection of the prevalent political uncertainty in Europe The conclusion, therefore, is that, only if political troubles in Europe cease, the question of redistribution of the world's gold can be tackled , and for the U S A there is no alternative policy now This assertion should therefore reinforce the confidence in gold now on the rise again And as war

drew near, it only increased except in stray instances where the possibility of governments confiscating gold for purposes of war was feared Mr Morgenthau's replies contain almost an assurance that the abandonment of gold as a medium of international payments is too remote a contingency to bother us now

The Weakness of Sterling

For sterling, 1938-39 was an altogether eventful year in that a number of influences were simultaneously contributing to its gradual depreciation The tendency became pronounced only towards the end of the financial year, when the "Maginot Line" of the pound was created, by the augmentation of the resources of the Stabilisation Fund and the revaluation of the gold assets of the Issue Department in the Bank of England The weakening trend of sterling in 1938 may be accounted for firstly, by the contraction of British exports, which was inevitable at a time when almost the entire productive capacity of the nation was being harnessed to the production of armaments , secondly, there was a more than *prima facie* probability that sterling was overvalued in relation to the dollar, on the basis of the relative price trends in the two countries , thirdly, London was losing its importance as the receptacle of international funds, and the rise of Amstterdam, New York, etc , as a haven for funds became accentuated , fourthly, the persistent capital transfers from London mainly on account of political uncertainties to safer places , fifthly, the withdrawal from London of Continental balances and in particular, the huge repatriation of French capital that went on throughout the latter half of 1938-39 , sixthly, of gradual withdrawal of the balances of the sterling *bloc* area, whose balances were tending to decrease in volume The existence of the sterling *bloc* has not always been beneficial to Britain It was certainly true at one time when London was the major repository of foreign funds and the sterling *bloc* countries kept their surplus balances in London Towards the latter half of 1938-39, this state of affairs hardly obtained Both internal pressure on their own currencies and fear of a depreciated sterling caused large withdrawals of funds by the countries of the sterling *bloc* The relationship of Britain to the sterling *bloc* countries has not always been an unmixed blessing by any means The weakness of both the belga and the guilder could have often been a source of constant embarassment, but these two are not in the *bloc* In fact, pressure at home caused the Belgian and Dutch authorities to sell their dollar balances, so that sterling was actually the gainer

Thus, a huge combination of circumstances existed for bringing down the external value of sterling No wonder then that in February 1939 and in the following months, extensive measures had had to be undertaken to defend sterling against the adverse currents of domestic and external finance These fall into two categories—those for strengthening the resources of the Exchange Equalisation Account and those intended to discourage, if not prevent, speculative transactions in sterling The one category was as impressive as the other , while no less than £300 million of gold went to swell the assets of the Account, there were also a series of restrictions on gold and forward transactions, amounting in the main to a pale form of exchange control The Chancellor of the Exchequer openly requested the co-operation of the City in implementing the unofficial embargoes , and both lending and export of capital for investment in American securities were not permitted, except with permission The significance of the embargoes lay in the fact that, prior to their enforcement, a huge bear position existed , and afterwards the bear covering operations appreciably helped to pull up the cross-rate

The positive implications of strengthening the exchange fund deserve treatment in some detail, because it, really, led to far-reaching changes in the system of British public finance

On February 1, the Chancellor of the British Exchequer introduced in the House of Commons the Currency and Bank Notes Bill, 1939, which sought to replace the Currency and Bank Notes Act of 1928 The proposed measure was the logical sequel to the large gold transfer of £200,000,000 from the Issue Department of the Bank of England to the Exchange Equalisation Account The transfer involved, as everywhere knows, a considerable stepping-up of the fiduciary note circulation from £230 millions to £400 millions, an increase which far exceeded anything contemplated by the Government when framing the Currency and Bank Notes Act of 1928 It had, therefore, been expected that the new Act would be required in order to place on a permanent footing the newer changes in the fiduciary note issue, necessitated by the changes in

the gold assets of the Stabilisation Fund The New Act had its genesis in this fact The significance of the new Bill resides less in its legalising the expansion of the fiduciary circulation than in the fact that it sought to introduce changes both in the valuation of the gold reserve backing adjustment of the note issue to the reserve As these are of vital importance in understanding the present course of British monetary policy, it seems desirable to give a full objective account of the changes intended, before passing on to their implications to the sterling exchange or the gold policy of the government

One of the cardinal provisions of the new measure is that the assets behind the Bank of England's note circulation, namely, gold and securities are hereafter to be revalued each week at market prices. In other words, the elaborate accountancy fiction, kept up studiously all these years of evaluating the gold reserve in the Issue Department of the Bank only at the nominal prices of 85s per standard ounce (the 'statutory price') is to be dispensed with The revaluation of both the gold and securities take place at prices certified by the Bank of England on the basis of prevailing market quotations

The second point of importance is that, after the revaluation of the reserve of the Issue Department at market prices every week, any disparity, between the revalued figure and the amount of notes outstanding will be made up, not by adjusting the volume of the notes issued to the backing in the reserve, but by making the requisite alterations in the value of such backing through, say, transfer of gold or securities to or from the Issue Department to the Account In other words, the emphasis is shifted to the total notes issued from the reserve backing the circulation, and what would determine the position of the Issue Department at any time would be the volume of notes outstanding with the public

This, it will readily be admitted, is a revolutionary change and marks the end of one phase of currency management, which started in 1931 with the inception of the Exchange Account as a sort of shock absorber for the pound The change further emphasises that the note issue is not to be determined automatically by changes in the size of the gold reserve But it did not imply that the Treasury meant to stabilise the note issue at the figure arrived at by adding the £300 millions of the fiduciary issue to the first writtenup value of the gold reserve in the Issue Department The Treasury can still effect gold transfers from the Issue Department to the Exchange Equalisation Account or *vice versa*, over and above the transfers necessary for correcting weekly variations due to changes in the market price of gold The present Act is not indeed unmindful of these needs, and accordingly contains definite provisions authorising such transfers from the Issue Department to and from the Account, and also stipulating that all such transfers of gold are to be evaluated at the same price as the last weekly valuations It follows that the authorities can still expand or contract the volume of notes issued by suitable alterations in the gold reserve by means of transfers, and these can always be made by suitable Treasury minutes Thus, the view that the note issue has been stabilised or that the authorities have lost their freedom to alter the note issue as of yore would be seen to be erroneous It now remains to inquire how far and whether the weekly representation of the position of the Issue Department of the Bank of England wiuld convey a truer picture of current conditions as a result of these changes A regularisation of the entire accounting side of the Bank's transactions seemed to be long over-due, if only to enable Continental financial circles to appraise the position of the British currency correctly The complexities involved in entering the transaction of the Bank at the nominal price of 85s per ounce have been numerous , and have in fact given considerable room for misunderstandings on the Continent

The new Act was thus definitely indicative of the British Treasury's desire to mass its gold reserve in an attempt to convince the foreign public that there is nothing intrinsically wrong with British finances These departures from accepted policy afford one more instance of the extreme flexibility that is the underlying idea and the keynote of the managed currency regime that was ushered in 1932 The stress and strains of present day finance provide an irrefragable case for maintaining elasticity in the British Government's monetary policy The new Currency Act which almost guaranteed a *de facto* stable price for gold, need hardly be viewed askance, especially as it also conveyed the assurance that deflationary policies will not be persued. The New Act is important for these reasons The Bank Return has now been

purged of the element of artificiality involved in keeping to the old price , the Exchange Account is strengthened , the country's total resources in gold are made easier to handle , and a further break with the past may also be seen in the throwing off of the control exercised hitherto by the gold stock over the currency in circulation The British Currency Notes Act of 1939 is a most important chapter in financial history

Make Shift Policies

Looking back at 1938-39 in retrospect, one might say that the developments directly relevant to international finance are the generally downward movement of the gold value of national currencies, the admittedly tentative revaluation of the gold assets of central banks in a large group of countries, the combination of the desire to maintain stability of exchange with a readiness to effect changes in the external value of the national currency and the strengthening of the machinery for that purpose There is no doubt that the majority of nations are determined not to make any premature return to international gold standard or any other unitary system All countries are painfully aware of the incompatibility of meeting current strains on the national economies with pre-depression ideas of free trade, international gold standard etc The importance of 1938 may therefore be said to lie in the attempt to continue indefinitely makeshift policies, without any idea of going back to the gold dollar This, of course, would not be so easy or profitable but for the adherence of the world's biggest financial power to gold standard The stability of the American currency in terms of gold permits the stability of values in the large sterling area and the preservation of economic order in countries like France, which frankly regard the gold value of their currencies as only a tentative fixing Hence the paramount importance of American gold policy

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NEW TRENDS IN PROVINCIAL FINANCE

The 1939-40 budget is the third of those formulated by popular ministries The first had necessarily to be of the routine kind, particularly in the Congress provinces where the Congress Party decided to accept office only after the close of the first quarter of the financial year No significant departure from traditional policy could be effected in the second, partly because one year was too short a period for giving shape to germinal ideas and partly beacuse the Ministers took time to become thoroughly familiar with the contours of the financial position and, more, its potentialities Another routine budget would have been politically dangerous, as the electorate has been taught by the vigorous propaganda of earlier days to expect a speedy inauguration of ameliorative measures

It is natural therefore that the budgets for 1939-40 should reveal more clearly the main features of public finance in a regime of popular Government And the budgets of the three major Provinces afford sufficient material to enable an appraisement of the broad trends of financial policy in the regime of provincial autonomy

But it must be realised that of the three major provinces of Bengal, Bombay and Madras, Bengal has little or no similarity with the other two. Not only is Bengal outside the orbit of Congress control, but the main features of her finances are even fundamentally different from those of the other two Presidencies The difference in the Party in Power means that the Bengal Government does not owe the same allegiance as the Congress governments to the comparatively sentimental part of the Congress programmes for the masses The Bengal Government does not feel called upon to root out the drink evil and the financial adjustments which go with a policy of prohibition are thus obviated What is more, the Bengal Budget does not depend to any appreciable extent on excise and the drink evil is not as widely prevalent among the masses of Bengal as among those of other provinces There is not therefore the same need for frantic search for new sources of revenue which the Congress Governments under the pressure of Prohibition are obliged to institute. As for additional funds to increase expenditure on social services, the Niemeyer Award and the financial adjustments in the two, three years before the inauguration of provincial autonomy have given this province more resources than most Congress Provinces will be able to find by courageous schemes of new taxation Considering that nationbuilding departments in Bengal had a very limited outlay during the greater part of dyarchic regime, the increases which are now possible should satisfy for the present the natural demand for more expenditure which follows the advent of a popular government It must be remembered at the same time that some of the new taxes which the Congress Governments are now levying had been imposed in Bengal even in the pre-autonomy regime, notably the electricity tax Thus the absence alike of any large excise revenue and of fervour for prohibition, the receipt of new revenues from the Centre about the time of the inauguration of provincial autonomy, the imposition of some new taxes towards the close of the diarchic regime and the low levels of expenditure that obtained recently, these are factors which make the position of Bengal different from other provinces Nevertheless, it should not be overlooked that the Presidencies are tending towards a fundamental similarity While on the one hand, Bengal is increasing the outlay on nationbuilding expenditure, the other Provinces are, so to say, marking time. The dependence of Madras and Bombay on excise revenue is being reduced to that of Bengal and it is by no means improbable that Bengal, too, by the time other Provinces complete the Prohibition programme, would wipe out her excise revenue, that is, if she gets a Congress coalition

To the extent that Bengal is free from immediate financial problems, it is to Madras and Bombay that we have to look for the new trends The similarity between the two provinces arises from the fact that both the Provinces derive an excise revenue of about Rs 4 crores and both are committed

passionately and irretrievably to a policy of prohibition But the similarity stops at that point For neither in point of ultimate taxable resources, that is, the wealth of the people, nor in the expectation of revenue from the Centre with the improvement in general conditions can Madras compare with Bombay Bombay's percentage share of the income-tax is much higher than that of Madras And while Bombay is the leading industrial province, industrialisation in Madras has just begun

It is natural, therefore, that while there is similarity of objectives, the methods and the pace with which they are pursued should vary widely Not only the difference in resources but also the nearness of the Mahatma to Bombay impels its Government to force the pace of progress in regard to prohibition Madras is obliged to sacrifice excise revenue only at the rate of about 20 lakhs a year, while in Bombay the Hon Mr Latthe decided to forgo Rs 1½ crores in the confidence that the rich province, whose financial affairs he administered, would be well able to put forth the requisite amount from other sources It is significant that in the second full year of the Congress Ministry in Madras, the financial effects of prohibition were sought to be offset by an increase of Re 1-8-0 per gallon on country spirit And Mr C Rajagopalachari in his Budget speech made it clear that in his passion for prohibition he would not impair the stability of the finances of the Province

Behind the differences in the pace of prohibition, however, lies the identity of aim, the replacement of excise revenue by other measures of taxation more acceptable to the principles of the Congress Government The significance of this replacement, the means by which it is achieved and the incidence of such means on the financial system form the most important aspects of the financial policy of the Congress Governments It is interesting that the significance of Prohibition has lately been shifted from the moral and ethical plane to the plane of equitable taxation Hitherto, we rarely heard of the excise revenue as being an unsound and inequitable form of taxation Mahatma Gandhi was content to denounce it as being based on the devastation of the homes of the working classes But both Mr Latthe and Mr Rajagopalachari had come to regard prohibition not merely as a matter of moral uplift but as a measure aiming at the shifting of tax burdens from the poor to the shoulders of those who are able to bear them Mr Latthe objected to the characterisation of his new taxes as additional taxation, since with the sacrifice of excise, they can only amount to shifting of tax burdens. Strikingly similar sentiments were expressed by the Madras Premier The student of public finance will thus be justified in stripping prohibition of its customary sentimentality and regarding it primarily as a measure for re-distribution of tax burdens

That it is so in intent, we have no right to question But it remains to be seen whether it will be so in effect And even if it proves to be so, the question will arise whether the substitutes will not so exhaust the taxable capacity of the comparatively well-to-do classes that no additional sources of revenue will be available Will the work of the Congress Governments stop with wiping out excise and finding substitutes for it? And if they mean to further national development, will not their new taxes affect those classes whom they have just now relieved of their load?

The embarrassments of the Congress ministries arise precisely from these problems To the extent that the new taxes are a shifting of the burden, certain classes come in for an additional burden And the appeal for a spirit of sacrifice, of readiness to take on the responsibility for the uplift of the masses a common feature of the speeches not only of Mr Latthe and Mr C Rajagopalachari, but also of Mr Sarker in Bengal, who has made more than a beginning in the new taxation The main source of additional taxation in Bombay is house property in the cities of Bombay and Ahmedabad And the provision that in cases of monthly rent of Rs 80 the tax ought not to be passed to the tenant ensures that relief as a result of prohibition should reach the classes for whom the Government intended it The condition is thus satisfied in this case, and the same may be said of the sales tax on petrol, which is consumed only by the well-to-do classes As for other sales taxes, it was pointed out long ago in these columns that, if they are to yield any appreciable relief to the Government, they will have to be levied on goods which are consumed by the masses This is not necessarily an objection to the tax, as mild indirect taxation even on the primary necessaries of life would still leave a large margin over excise, which the working classes will feel to be a relief The Sales Tax, however, has not yet taken definite form except in the case of petrol and, we might add, electricity Bombay has a tax on its staple commodity cotton cloth Madras sought to reduce its incidence on the masses by levying a turnover tax of a pie per Rs 1,000. At the same time, the smaller trades are exempted by fixing a taxable minimum In the absence of any indications to the contrary, it is fair to presume that the scope of the turnover tax is to be unlimited In that case, the case of

the big merchants and exporters is, perhaps, even more deserving of sympathy and special consideration than that of ordinary vendors For those who have the biggest turnover have the narrowest margin of profits and the proposed levy might mean for many a merchant thoroughly undeserved poverty We prefer to think that the scope of the turnover tax will be so determined as to make it an indirect taxation on a wide range of articles in common use By levying it on a business rather than a commodity no special hardships are involved for any one class, and the poorer classes whose contribution to the total turnover cannot be very heavy will then be enabled to retain the economic advantages of the policy of prohibition

A general turnover tax with proper exemptions for big business and coupled with a license for small traders below the minimum limit of the turnover tax will, doubtless, complete in course of time the process of finding substitutes for excise revenue But the bigger problem of finding the means of national reconstruction would still remain And one looks in vain in the budget speeches of Finance Ministers for indications of the financial policy in this regard It might be that the popular ministries expect their present measures not only to create comparative prosperity immediately, but to set in motion the forces which steadily increase economic well-being and with it the taxable capacity of the people Taxation in any country can be no more than part of the national income And when the National income is low and the distribution of it is not such as to stimulate economic progress, the Government will naturally find it difficult even to find the wherewithal of ordinary administration The means of increasing the outlay on nation-building departments cannot, therefore, be found till the distributive mechanism is properly readjusted And in this process of readjustment, the scaling down of administrative costs cannot be evaded Mr C Rajagopalachari made it clear that while attempts are being made to shift the tax burdens from the poorer classes to the richer classes, money for increased expenditure on nation-building departments will have to come at the outset from savings One may be sure that the provincial finance ministers will be increasingly insistent on their freedom to effect them even at the cost of services which are not under the rule-making powers of the provincial governments It is not a little significant that almost every provincial government had already instituted considerable cuts in salaries but the immediate advantage of such action has been denied inasmuch as the relief from these costs can be realised only over a long period The cut in the services under the control of the Secretary of State will inevitably become an imperative demand These questions form the borderland between finance and politics

Mr Latthe for his part, put forward the demand for the immediate grant of Bombay's share of the income tax, no matter how the Central Government parts with it C R in Madras expressed in his budget speech his impatience with the present regime in which he has to get on with an irresponsible Centre His reference to the possibility of quitting from office sounded ominous But there is no denying that with conditions as they are the Congress Governments could not get far beyond what they have so aptly called the redistribution of tax burdens A part, at least, of the new expenditure for national reconstruction has to come from savings in the present administrative costs And in a Province like Madras, it is hardly surprising that the Premier approached the Secretary of State for a cut in the salaries of services under his control The stage is reached when political problems do impinge on financial and economic problems And it is to be hoped that the dangers which threaten the inauguration of responsibility in the Centre will vanish and the threads of constructive policy will not be snapped abruptly

A BIRD'S-EYE VIEW OF PROVINCIAL ECONOMY

In the following articles, an attempt is made to give a bird's eye view of the economic life of each province in India Our aim is to encourage the habit of taking a comprehensive view of the economy of each province Such a habit is not merely desirable for its own sake ; it is of great national importance at a time like the present, since, with the inauguration of provincial economy, and national and regional planning schemes in the air, each Provincial Government feels called upon to apply itself to economic reconstruction, and the people of each province will have to be prepared to help it intelligently with their judgment and opinion To facilitate study new statistical sections have been added to this section, the source being the "Statistical Abstract of India 1936-37"

BENGAL

Bengal is the most highly populated province in India The population in 1931 was 50.1 million, which is very nearly one-sixth of that of India as a whole Amongst the major provinces of India, it is the most densely populated also While the population for 100 acres of sown area for British India is only 119, in Bengal it comes to as much as 213 The growth of population by 38 per cent in the Province during the last fifty years, however, is the same as that for the rest of India during the same period

Production of raw materials forms the principal occupation of the people of India The following figures would be of help in making a comparative study of the occupation of the people in Bengal with that of India

DISTRIBUTION OF WORKERS IN 1931

(Earners and dependents of both sexes)

		In Bengal %	In India %
1	Exploitation of animals and vegetation .	68 84	67 11
2	Exploitation of minerals	0 29	0 23
3	Industry .	8 80	9 97
4	Transport . .	1 98	1 58
5	Trade	6 43	5 15
6	Public Force .	0 41	0 55
7.	Public Administration	0 35	0 64
8.	Professions and Liberal Arts . . .	1 95	1 50
9	Persons living on their income ...	0 17	0.14
10	Domestic Services ..	5 58	7.08
11.	Insufficiently described occupation .	4 32	5.05
12.	Unproductive ...	1 43	1 05

The percentage of peope living by the production of raw materials is higher in Bengal than the all-India figure Transport, trade, professions and liberal arts and persons living on their income, all claim a higher percentage in Bengal than of India as a whole The percentages in Bengal are less than those of India, in industry, public force, public administration and domestic service

Agriculture is the main avocation of the people in Bengal as elsewhere in India. Although the sown area is only 29 4 million acres which is roughly about one-ninth of the net sown area in British India, the land being exceptionally fertile, the agricultural industry of Bengal is second to that of no other province in India Of the 29 4 million acres, rice is cultivated in as much as 22 0 million acres, other food grains and pulses are grown on 1 7 million acres, jute is grown on 2 2 million acres, oil seeds on 1 1 million acres and the various other crops such as cotton, tea, spices, tobacco, fodder etc , on the remaining 2 4 million acres The acreage under rice cultivation in Bengal is not only the largest in India but also in the whole world Even Italy, which comes after India, in regard to acreage under rice cultivation in India itself, amounts to 27 per cent Bengal contributed in 1936-37, 9,805,000 tons of rice out of the total Indian production of 31,094,000 tons The huge production of rice in Bengal is rendered possible by the physical condition of the province such as the

IMPRESSIVE FIGURES:

New Business in 1938 exceeds	Rs.	1,80,00,000
Life Assurance Fund exceeds	,,	3,05,00,000
Total Assurance in force exceeds	,,	12,00,00,000
Total Claims paid exceed	,,	2,20,00,000
Total Assets exceed	,,	3,40,00,000
Expense Ratio ...		29·4%

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abundant supply of water whether by means of annual floods or good rainfall, and also by the direct dependence of the population on it for their very food.

After rice, jute which is the monopoly of India, is the most important crop of Bengal Unlike rice, which is produced all over Bengal, jute production is mainly concentrated in six districts—Mymensingh, Tippera, Dacca, Rangpur, Faridpur and Patna The total area under jute in 1931-32 in India was 1,845,216 acres and in 1936-37, 2,539,933 acres Of this Bengal itself contributed 1,596,700 acres and 2,154,800 acres respectively The rest was divided between Assam and Bihar and Orissa Indian production of jute in 1931, 1932, 1933, 1934, 1935 and 1936 was 5 5, 7 1, 7 99, 8 5, 7 2 and 7 9 million bales, respectively The world depression has hit the Bengal agriculturist hard The fall in the agricultural prices has told heavily on the agriculturists who form the major portion of the population. The agricultural indebtedness of Bengal was estimated at Rs 100 crores by the Central Banking Enquiry Committee On account of the ruinous fall in the price of agricultural produce, the indebtedness must at least be double now Tenants and Zemindars have been put to great difficulty in ever adequately meeting their rental charges to the Government The co-operative movement has been doing something in its usual way to help the agriculturists but as would seem from the foregoing brief account, by itself it cannot do anything appreciable to lighten the burden of indebtedness In February 1934, the Bengal Board of Economic Enquiry was constituted with a view to study the economic problems of the province with special reference to the rural problem and advise the Government of the measures that should be adopted As a result of the work of the Board, machinery has been set up for debt conciliation and adjustment in the rural areas by arbitration tribunals

The Co-operative movement in this province, as elsewhere in India, has so long been an agricultural credit movement Since the agriculturist in the country is simply notorious for being born in debt, wallowing in debt and dying in debt, no wonder attention has been focussed on the credit aspect of the movement to the detriment of the other aspects of co-operation Though the six years of world depression has affected the agricultural credit societies in this Province as in other provinces, the co-operative movement has not unduly suffered Amongst the major provinces in India, Bengal has the largest number of co-operative societies, after Punjab While the number of societies per 100,000 inhabitants in 1936-37 was 34 9 for all-India, in Punjab and Bengal it amounted to 92 2 and 48 4 The total working capital of the co-operative societies in Bengal in 1936-37 was Rs 19 crores and 8 lakhs In regard to this, however, Bengal occupies the third place in India, after Punjab and Madras

The co-operative credit societies in Bengal, as in other parts of India, cater only to the short-term credit needs of the agriculturists. The supply of long-term credit is beyond the means of these societies as their funds are mainly obtained from fixed deposits of one or two years and current deposits For effecting improvements in land, purchase of lands, cattle etc , these societies are of very little help to the agriculturists. For such purposes land mortgage banks capable of supplying credit for periods ranging from 5 to 15 or even 20 years are necessary. The co-operative land mortgage banks were first started in India only as recently as 1920 While the land mortgage banking has made some appreciable headway in Madras, its progress in other provinces, especially in Bengal, is negligible In 1934, however, five land mortgage banks have been organised with a working capital of Rs. 2½ lakhs

The non-credit co-operative movement in India has been showing some signs of animation only during the last few years Those which are absolutely peculiar to the Province may be briefly noticed here. The anti-Malarial and Public Health societies are the most important of the non-credit co-operative societies of Bengal. When it is remembered that Malaria is one of the severest curses of Bengal, that out of 86,618 villages in Bengal at least 60,000 are afflicted with the scourge and that it is responsible for the death of 3½ lakhs of people annually, the imperative need and importance of these societies would become immediately apparent Two of these societies were originally started in 1917 and in 1932-33 they numbered 927 and had a membership of 18,720 Though these societies have as yet not progressed in any magnificient manner, as pointed out by Dr C A Burtly before the Agricultural Commission, they however, appear to have succeeded "in awakening Bengal villages to the necessity and possibility of improving the health of their villages by their own efforts." The rural societies are all federated into the Central Co-operative Malarial Society situated at Calcutta These societies certainly

deserve to be encouraged and to be increased in larger numbers

When dealing with the development of co-operative movement in India, the Indian Year Book of 1934 started about the milk societies that "one of the notable contributions of Bengal to the co-operative movement is the immense organisation built up on the co-operative sale and supply of milk." The unit of organisation is the rural society covering a village and having as its members only *bona-fide* milk producers The Central organisation with which the rural milk societies in the Presidency Division are federated is the Calcutta Milk Societies' Union

Bengal is backward in regard to industrialisation in India only in comparison with Bombay. This inferiority is undoubtedly due to the greater attachment that the people of the Province have for investments in land. Of late, Bengal has been showing signs of being industrialised at a faster rate than before Amongst the industries of the Province, the jute industry naturally occupies the pre-eminent position. The history of the industry up to the year 1925-26 has been practically one of continuous progress in respect of number of mills, looms and output The number of mills has increased from 60 in 1900 to 94 in 1936-37. The looms have risen in the same period from 15,000 to 62,875 The Indian Jute mills consume nearly half the jute goods in India The demand for jute and its manufactures both in India and abroad has fallen considerably during recent years owing to the depression in world trade In order to keep the equilibrium between the restricted demand for jute all over the world and its huge supply, the Bengal Government have started an intensive propaganda for the voluntary restriction of jute crop As the jute industry of India, which is practically synonymous with the jute industry of Bengal, is dealt elsewhere in detail, it is unnecessary to dwell on it at greater length here

The cotton mill industry of Bengal which comes next in order of importance is of more recent growth There are now 21 cotton mills in existence having about 7,871 looms in all.

The quantity of piecegoods produced in the Province now is nearly ten times what it was twenty years back Though the achievement is by no means negligible, there is plenty of room for further development. On the basis of 14 17 yards *per capita* consumption in India, Bengal's demand for piecegoods amount to 730 million yds. The mills in Bengal are able to supply only about one-seventh of this demand, the rest being met from the supply of other provinces and foreign countries The scope for development in the Province is, therefore, about six-fold

The other major industries of the Province are coal mining, tea, sugar, paper and iron and steel industry The coal mines of Bengal contribute one-fourth of the total Indian coal production In 1936, Bengal's output was 6 7 million tons out of 22 6 millions in India Raneegunge is the most important coalfield of Bengal The welfare of this industry is of great importance to this Province The tea industry of Bengal has absorbed a large amount of capital and is concentrated in Jalpaiguri and Chittagong This industry engages on an average 200,000 people As regards the sugar industry though it has made rapid progress elsewhere in India under the aegis of protection, in Bengal its development has been very poor This is really a matter for surprise when the soil and climate which are very favourable for the cultivation of sugarcane are taken into account The estimated production in Bengal in 1934-35 is 11,000 tons, whereas the demand is approximately 130,000 tons When the various natural advantages which Bengal enjoys in regard to this industry by way of favourable soil, cheap labour price, advantage in railway freight as compared with sugar from other provinces are considered, it is apparent that the industry has a great future when it begins to be developed in right earnest In regard to the paper industry, Bengal stands supreme in India. There are three well-equipped and large paper mills in the Province. The paper production of Bengal in 1936 was 41,335 tons out of the total Indian production of 48,209 tons

Apart from these large-scale industries, there are the medium size industries and the small-scale industries providing employment for many in the Province as well as occupying an important position in the economic structure of the Province Some of the medium-sized industries are chemicals, toilettes and soaps, electric fans, electric bulbs, paint, varnish, glass, match, shoemaking, hosiery, flour mills, oil mills, rice mills etc All these have shown considerable expansion during the last few years. The small-scale or cottage industries are those which have been carried on from time immemorial in the villages. They form a vital part in the economic structure in that they provide alternate sources of employment to millions of under-employed agriculturists

Handloom weaving is the most important cottage industry and is widely spread throughout the Province It is true that the world famous muslin weavers of Dacca are all dead and gone and the very cotton with which they wove their fine webs are grown no more and is probably even extinct And yet, even to-day their descendants are carrying on against great odds, if not the weaving of muslins, at least the manufacture of some fine hand-woven cloth Though no statistics are available as to the total output and the price realised of these handloom products, both must be very appreciable It is a matter for congratulation that the Government of India should have realised the importance of the handloom industry for India and undertaken to provide five lakhs of rupees for that purpose annually The brass and bell metal industry of Bengal is the next most important cottage industry of the Province and the value of products annually produced amounts to several lakhs of rupees Amongst the other cottage industries, the more important ones are cutlery, pottery, fishing, silk weaving and rearing, mat and coir making, ceramics, toy making, button making etc The cottage industries of Bengal have recently been given a fillip by the keen interest shown by the Department of Industries in Bengal which has undertaken the resuscitation of several industries and have been also training many *bhadrolok* young men into such industries The rural industry all over India are also likely to see better days, because two forces, the Government as well as that of the Indian National Congress, are now definitely getting to be ranged on its side The Congress has started the All-India Village Industries Association under the guidance of that dynamic personality, Mahatma Gandhi, in order to preserve and foster the cottage industries The Government of India have also set apart one crore of rupees for distribution to the various provinces for the development of their village industries

The joint stock enterprise has made more headway in the Province than elsewhere in India In regard to the total number of joint stock companies, Bengal is responsible for nearly half of that existing in India Although the total amount of paid-up capital invested in these companies in Bengal is slightly larger than that of Bombay, the Companies in the latter province have a far more substantial basis In 1936-37, out of 10,339 joint stock companies in India, Bengal had 5,080 and Bombay 1,331 In the same year out of the total paid-up capital of Rs 298 crores in India, Bengal contributed over Rs 100 crores and Bombay nearly Rs 100 crores The average capital of a company in that year was Rs 10 lakhs for Bombay while for Bengal it was only Rs 3 lakhs In her investments and paid-up capital, Bengal comes third only in regard to joint stock banks, after Bombay and Madras In regard to insurance railways and tramwaps and mills and presses Bengal's invested capital is second only to that of Bombay in India In loan offices, tea and coal, her joint stock enterprises are the most important in India from the point of view of capital invested The loan offices of Bengal are companies doing banking business mainly in the rural parts of Bengal These companies were originally started sometime in 1850 about the time the Nidhis of Madras were started The development of the loan offices and the Nidhis are to a certain extent parallel The main difference between the two in their method of business is that while the former approximates more to commercial land mortgage banks, the latter more to commercial joint-stock banks The working capital of these loan offices amounting to about Rs 9 crores are very largely locked up in landed properties

Bengal's share of the foreign trade of India range between 25 and 30 per cent. The following figures show the contribution of Bengal towards India's foreign trade.

IMPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1934-35	1935-36	1936-37
Bengal	36,15	38,69	35,76
India	134,59	136,76	127,72

EXPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1934-35	1935-36	1936-37
Bengal	62,72	66,40	75,38
India	155,22	164,29	202,36

In regard to the total exports, Bengal comes second amongst the provinces giving the pride of first place to Bombay In regard to total imports, however, the table is reversed.

The chief imports are cotton piecegoods, metals and ores, machinery and millware, sugar, mineral oils, hardware, spices, motor cars, provisions, paper, tobacco, paper-making materials, liquor, chemicals, salt. Similarly, the important exports are jute manufactures, jute raw, tea, shellac, hides and skins raw, metals and ores, oil-seeds and rice. The following figures give the more important imports into and exports from Bengal during the three recent years

IMPORTS INTO BENGAL

(*Lakhs of Rupees*)

	1936-37	1937-38	1938-39
Cotton piecegoods	3,69	3,02	3,56
Cotton Raw	22	45	46
Metals & Ores	4,15	6,53	5,37
Machinery & Millwork	5,85	7 62	9,76
Sugar	7 1	2 1	4 7
Mineral Oils	1,33	5,32	4,91
Silk goods	15	17	13
Cotton Twist & Yarn	49	50	75
Motor Cars	63	74	57
Woollen Manufactures	47	70	45

Bengal imports, normally, one-fourth of the piecegoods imported by India, one-third of metals and ores and 40 per cent of the Indian imports of machinery and millwork and sugar Between 25 and 35 per cent of the Indian imports of mineral oil is also imported by Bengal. So far as exports are concerned, practically the entire Indian exports of jute manufactures, jute raw and shellac are from Bengal Excluding Burma, Bengal exports the largest amount of rice amongst the provinces of India 70 to 80 per cent of tea and about two-thirds of the hides and skins raw, exported from India are also from Bengal

EXPORTS FROM BENGAL

(*Lakhs of Rupees*)

	1936 37	1937-38	1938-39
Jute Manufactures	27,54	28,51	25,74
Jute Raw	14,74	14 69	13,28
Tea	15,96	19,85	18 48
Shellac	1,53	1,11	85
Hides & Skins Raw	2,67	2,64	1,94
Seeds	1,79	2,01	1,84
Rice	1,26	1,14	1,49
Cotton Raw	71	50	34
Cotton Twist & Yarn	71	15	15
Cotton Piecegoods	52	9 82	11 34

BOMBAY

Even Bombay, the premier industrial province of India, has agriculture as its principal industry. 65 9 per cent of the total earners and working dependents follow agriculture as their main avocation The following figures show the occupational distribution of people in Bombay and in India in 1931

		Bombay	India
1	Exploitation of Animals and Vegetation	65 9	67 11
2.	Exploitation of Minerals	0 1	0 23
3.	Industry	11 9	9 97
4	Transport	2 3	1 53
5.	Trade	5 8	1 58
6.	Public Finance	0 7	5 15
7.	Public Administration	1 6	0 55
8	Professions and Liberal Arts	1 7	1 50
9.	Persons living on their income	0 3	0 14
10	Domestic Service	2 1	7 08
11.	Insufficiently described occupation	5 9	5 05
12.	Unproductive occupation	2 2	1 05

The figures reveal that, when Bombay is spoken of as the industrialised province of India, it has to be taken as being so only very relatively. Those living by exploitation of animals, vegetation and minerals are a little less than in India as a whole. Industry, transport and trade especially have a better following in the Presidency. Wherever there is a good demand for labour from industries the people seldom show any preference for domestic service Probably this accounts for only 2 1 per cent. of the people in India as a whole. The prosperity of the province in comparison with the rest of India is also shown by the fact that, while the persons living on their income are only 0.14 per cent. in India, in Bombay Presidency alone they number 0.30 per cent , which is double the all-India figure

In 1936-37 the total area sown in the Presidency was 29 million acres Out of the 29 million acres in the Presidency, rice occupies 1 8 million acres, wheat 1 66 million acres, jowar (cholam or the great millet) 10 million acres, Bajra (cumbu or the spiked millet) 2 6 million acres, gram 0 6 million acres and other food grains 2 6 million acres In the total output of jowar and bajra, Bombay takes the lead in India Of the other chief crops, cotton and fodder crops are the most prominent ones The former is grown on 3 7 million acres and the latter on 2 6 million acres In the cultivation of cotton, Bombay stands second in India after C P. and Berar and in regard to the fodder crops also she ranks second after the Punjab.

Just as jute is the main commercial crop of Bengal, cotton is the principal commercial agricultural produce of Bombay If the Indian States in the Presidency are also included, the total yield of cotton in Bombay is the largest in India Nearly a third of the total Indian cotton production is accounted for by the Bombay Presidency (including the Indian States). The total yield of cotton in Bombay and its Indian States in 1931-32, 1932-33, 1933-34 and 1936-37 was 1,322,000, 1,405,000, 1,365,000 and 665,000 (British districts only) bales respectively The total Indian production in

the same year amounted to 4,088,000, 4,437,000, 4,633,000 and 4,300,000 bales respectively

Though at first sight it may well appear, that the co-operative movement has not made the same progress in the Bombay Presidency as in the two or three other provinces of India, when the total membership of the co-operative societies and the working capital put up by the Province is considered in relation to the population of the province, it would be readily found that Bombay does not lag behind the apparently more co-operative-minded provinces of India The number of members in the co-operative societies in 1932-33 in the Bombay Presidency formed 2 65 per cent of the population as against 1 34 per cent in India Punjab alone amongst the major provinces of India has a slightly higher percentage in this regard than Bombay From the point of view of the total capital, Bombay no doubt stands fourth amongst the major provinces of India after Punjab, Madras and Bengal When the number of annas contributed per head of population is considered, Bombay comes amongst the major provinces as second with 115 annas giving the pride of place to the Punjab

As elsewhere in India, the co-operative societies in Bombay are mainly agricultural credit societies The non-credit co-operative movement though a little more active in this Province, is by no means impressive, The co-operative credit societies, again, as in the rest of India, supply only the short-term credit needs of the agriculturists Barring a very few land mortgage banks there are no institutions co-operative or non-co-operative, of the agriculturists It is really a matter of surprise that Bombay, which is very advanced generally in all matters should have neglected to start well-equipped land mortgage banks which are absolutely essential to the agricultural population situated as it is to-day

The cotton textile industry is the main and most flourishing industry of the Bombay Presidency In the national economy of India the cotton textile industry occupies a position, which is second only to that of agriculture, and even to-day Bombay takes the foremost place in the cotton textile production This industry is an old and well-established industry and is carried on very largely under Indian management and Indian capital. The two chief centres of the industry in the Presidency are the Bombay Island and Ahmedabad

Amongst the several new industries now gathering momentum in the Bombay Presidency, the most important is the manufacture of matches There are eight factories established in the neighbourhood of Santa Cruz, Ghodbunder, Rurla and Thana In 1936-37 there were 8 tobacco factories doing good business The assemblage of motor cars has now become a regular and well-established industry in the province In addition to a number of factories for tanning hides and skins, there are also factories for the manufacture of bakelite materials, electric fans, pins and needles, dry cells, razor blades, soaps, glasses, chemicals, pottery, paint, carbon, paper, etc

Three things necessary for the industrialisation of any locality are the local supply of raw materials, power, whether coal, oil or electricity, and capital All these three Bombay has or is getting to have in plenty As regards capital, Bombay is the home of two principal and rich mercantile communities of India, i e, the Parsis and the Gujaratis. For its principal industry, namely the cotton textile industry, Bombay not only itself grows cotton but also can easily obtain from its neighbouring provinces, Central Provinces and Berar and Madras Bombay has, however, no oil or coal. She was till recently dependent for her power requirements on the coal from Bengal and C P in India or the South Africa Bombay during the last two decades has done much to remove this disability The Hydro-electric works, which are now in operation in the Presidency and which generate electric power some fifty miles away on the Ghats, manage to meet a very considerable part of the power requirements of the Province. As the Hydro-electric schemes of India are dealt elsewhere in great detail it is unnecessary here to dilate on them

The handloom weaving industry in common with the other major provinces of India, is the most important cottage industry in the Bombay Presidency Almost every district carries on handloom weaving in spite of all competition from the machine-made fabrics In Poona, Nasik, Dharwar, Sholapur and Belgaum districts alone, there are reputed to be nearly 2 lakhs of weavers. Saries and Turbans are the more famous products of Bombay handloom weavers Silk is woven in Ahmedabad, Nasik, Thana and Surat Districts. Dyeing is conducted in the Maratha districts as well as in Gujarat and Kathiawar. Bombay silver-ware and the brass works of Poona and Nasik are well-known throughout India The other important cottage industries of the Province are lac, ivory and tortoise shell manufactures, carpet weaving, calico-printing, manufacture of

gold and silver threads, kinkhabs, lacquer work, pottery, stone works, etc.

Joint stock enterprise is very highly developed in the Presidency The total number of companies and the paid-up capital in 1936-37 amounted to 1331 and over 100 crores respectively The paid-up capital employed in the Bombay companies represent fully one-third of the total paid-up capital in India Though in the total amount of paid-up capital, Bombay yields the first place to Bengal, from the point of view of financial strength and soundness of its companies, Bombay stands foremost in India If Burma is excluded, the average capital of Rs 9 lakhs per Bombay company represents the highest average amongst the major provinces of India In the total paid-up capital invested in Banks, insurance companies, transit and transport companies, and mills and presses, Bombay Presidency occupies the first place in India. In regard to the paid-up capital invested in trading and manufacturing companies Bombay occupies the second place after Bengal.

Bombay's share in the foreign trade of India on an average works out to about 40 per cent The following tables illustrate Bombay's share in the total Indian trade :—

IMPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1934-35	1935-36	1936 37
Bombay	58,70	54,58	49,33
India	134,58	136,76	127,72

EXPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1934-35	1935-36	1936-37
Bombay	33,40	33,11	44,40
India	155,22	164,29	202,36

In regard to the total imports Bombay stands first in India and Bengal is second, whereas in the case of the exports the position is exactly reversed

The chief imports into the Bombay Presidency are cotton goods, metals and ores, machinery, sugar, motor cars, oils, raw cotton, cotton twist and yarn, artificial silk, silk manufactures, instruments, dyeing and tanning substances, woollen goods, paper, hardware, glass and glassware and drugs and medicines The chief exports are raw cotton, oilseeds, cotton manufactures, raw wool, cotton yarn, oil cakes and grains, pulse and flour The following table gives the more important imports into and exports from Bombay during the last three years :—

IMPORTS INTO BOMBAY

(*Lakhs of Rupees*)

	1936-37	1937 38	1938-39
Cotton piecegoods	3,85	4,06	3,22
Cotton Raw	5,40	11,87	7,90
Machinery and Mill-work	3,55	5,42	4,78
Metals and Ores	2,59	3,91	2,84
Oils ...	1,73	4,16	4,02
Silk goods	1,46	1,56	1,11
Cotton Twist and Yarn	1,25	1,27	1,60
Sugar .	5 9	8 9	16 2
Motor Cars	1,13	1,59	1,17
Woollen goods .	96	1,59	95

EXPORTS FROM BOMBAY

(*Lakhs of Rupees*)

	1936-37	1937-38	1938-39
Oil seeds ...	4,99	3,18	3,90
Cotton piecegoods . .	1,50	4,17	2,77
Cotton Twist and Yarn ...	54	1,36	1,34
Wool Raw	77	71	65
Cotton Raw	22,88	14,05	18,88

One-third to one-fourth of the total Indian imports of piecegoods and sugar are imported by the Bombay Presidency One-third of Indian imports of metals and ores, machinery and millwork and cotton twist and yarn are also absorbed by the Presidency. One-third to one-half of oils (mineral) and one-half of the Indian imports of motor cars also find their way into Bombay Presidency 35 to 40 per cent of the woollen goods and five-sixths of the silk manufactures imported by India are taken by Bombay Practically all the Indian imports of raw cotton are destined for the Bombay Presidency.

Of the exports, practically the entire Indian export of cotton twist and yarn, 60 per cent of raw cotton, one-third of oil seeds, one-half of the piecegoods and about 40 per cent. of the raw wool exported from India are all from the Bombay Presidency.

MADRAS

A scrutiny of occupational statistics of various countries will show that the proportion of people engaged in domestic service to total workers is a rough gauge of the extent of industrialisation The total workers and working dependents in Madras Presidency according to 1931 census is 28.92 million, out of which 13.35 million or 46 17 per cent follow exploitation of animals and vegetation The people engaged in the domestic services amount to 7 79 million or 26.94 per cent., which is the highest percentage amongst the major provinces of India. This high percentage, high even for Madras can be explained largely by the fact that domestic servants

also engage in agriculture The following figures show the distribution of workers and working dependents and the percentage borne by each group of occupation to the total

	Total Workers & Dependents (millions)	Percentage borne to the total workers and Dependents
Exploitation of Animals and Vegetation	13 35	46 17
Industry	2 55	8 81
Transport	0 38	1 35
Trade	1 22	4 25
Public Finance	0 06	0 21
Public Administration	0 18	0 62
Profession and Liberal	0 38	1 31
Persons Living on their income	0 03	0 10
Domestic Service	7 79	26 94
Insufficiently described	2 78	9 65
Unproductive	0 17	0 59

On account of a change in the method of classification, the Madras figures are not exactly comparable with that of the All-India census figures It may, however, be stated confidently that the proportion of people following domestic service is probably the highest in this province and that trade, industry and transport have all a lesser following in the Madras Presidency than in Bombay or Bengal Presidencies and in all probability lesser than even the All-India census figures The people following the exploitation of minerals are only about 15,000 and for all practical purposes that group need not be taken into consideration When the mines and quarries are few, no wonder that there are very few who followed the calling of mining or quarrying The proportion of people living on their income in the Presidency is also lower than that for the whole of India

Agriculture is the mainstay of the people in Madras in common with the rest of India The total area sown in 1936-37 in the Province was 37 million acres which is very nearly a seventh of the total sown area in India Madras comes second in this regard in India after the United Provinces Rice, the staple food of the people of the Province, naturally occupies the largest acreage Rice is cultivated on 9 9 million acres, Jowar (Cholum or the great millet) 5 million acres, Bajra (Cambu or spiked millet) 3 million and other food crops 6 million acres and other food crops 7 million acres Madras stands, amongst the Indian provinces, first in the cultivation of ragi, second in the case of Jowar third in Bajra and fourth in regard to rice When the total acreage of 205 million under food grains in India is considered, it would be found that Madras with 26 million acres under food grains stands second, yielding the first place only to the Punjab In the cultivation of oilseeds, spices and coffee Madras occupies the premier position in India Out of 18 million acres under oilseeds in India, as much as $5\frac{1}{4}$ million acres are accounted for by Madras alone Nearly half the land under condiments and spices in India are to be found in this Presidency The cotton cultivation is also an important industry of the province, as Madras stands third amongst the provinces of India growing cotton The acreage under cotton cultivation in 1936-37 in the Presidency was $2\frac{1}{2}$ million acres

The agriculture of the Province owes not a little to the agricultural and the irrigation departments The former have always been on the alert to find out improved seeds and manures, and the latter in improving the irrigation facilities of the Province The Madras Presidency has at present some of the finest irrigation works in the world The Mettur irrigation project which was recently completed is one of the largest of its kind in the world In 1936-37 the area irrigated in the Presidency was 8 7 million acres and then Madras stood third amongst the provinces of India in regard to the area irrigated

Although the progress of the co-operative movement in the Madras Presidency is nothing impressive it, has been heartening enough Madras has the largest number of co-operative society members in India In 1932-33 the total number of members of primary societies was 898,231, which is a fourth of the total members in India The working capital of the co-operative organisations in 1932-33 amounted to Rs. 17 30 lakhs and in this respect Madras comes second only to Punjab which has a crore and a half more.

Madras is the most progressive province in regard to the land mortgage banking No other province has come anywhere near it The establishment of the Madras Co-operative Central Land Mortgage Board in 1929 to finance the local and the primary mortgage bank by centralising debenture issues marks the starting point of a systematic development of the land mortgage banking in the Province There are at present about 38 primary land mortgage banks in the Presidency attempting to meet the long term agricultural credit needs of their localities Though only a start has been made so far, the beginning has been so good that it augurs well for the future

The non-credit side of the co-operative movement, in common with the rest of India, Madras has not developed There is, however, one exception The Triplicane Co-operative Society, which is a consumers' society has been a very successful institution It is the biggest of its type not only in India but in the whole of East, if Japan is excluded

The large-scale industries of the province are cotton textiles, tanning of hides and skins, jute mills, oil milling, coir-making, aluminium utensils making, match and pencil making, soap manufacture, saw-milling, tile making and tanning Of these the cotton textiles and tanning are the more important industries There are about 30 cotton mills working 5,834 looms and 1,034,830 spindles with paid-up capital of over Rs 3 crores The average daily number of workers employed was over 55,000 according to the 1935 statistics as against 270,000 in Bombay There are besides 7 hosiery mills, 4 jute mills and 2 woollen mills Sixty-four factories are engaged in the manufacture of bricks and tiles The number of saw mills is given as 11 In the tanning industry Madras leads ahead all the provinces of India

Factories engaged in Processes connected with skin and hides —

		Madras	Bombay	U P	Punjab	Bengal
Leather and shoes		5	1	5		2
Tanneries		6	5	6	[illegible]	5
Miscellaneous			6			
Total (India)	13	11	12	11	2	7

The province of Madras yields place only to Bengal and Bombay as regards major engineering workshops and factories There are 23 railway workshop General engineering claims 19 and electrical engineering 3 With the development of hydro-electric power, it is more than likely that Madras will make rapid progress in Engineering en prises

If the Madras Presidency has not been industrialised to the extent the other two presidencies have been, it is because the Presidency has been suffering from a woeful lack of power resources There are no coal mines within the Presidency and to get coal either from Bengal or C P is almost prohibitively costly The only resource, that could be developed within the Presidency, is the Hydro-Electric power More than a mere start has been already made in this direction ; and it could be safely predicted that within 20 years the Hydro-Electric power would have been sufficiently developed all over the Presidency, and the greatest handicap to its industrialisation would be removed The Hydro-Electric projects and undertakings are dealt elsewhere in detail

The important cottage industries of the Province are cotton and silk handloom weaving Tanjore, Madura, Kuttalam, Kurnool, Adoni, Arni, Cocanada, Salem and Coimbatore are some of the very important centres of silk and cotton weaving. Carpets are made at Ellore, Ayyampattai, and Masulipatam Vellore, Ganjam, Madura, Travancore, Vizagapatam, Tanjore and Kumbakonam are famous for their metallic wares, Trichinopoly and Dindigul are noted all over the world for cigar manufacture

Madras Presidency was the first in India to have an efficient department of Industries The Department has to its credit the starting of the first up to date aluminium, soap, pencil and paper factories in India This department has been in general taking a greater interest and actively helping the cottage industries as well as the major industries by taking part in, as well as organising, exhibitions, conducting researches, training pupils and starting new ventures, and similar departments in the other provinces of India

As in the case of industries in the Joint Stock enterprise also, Madras Presidency ranks theird amongst the provinces of India (excluding Burma). This is easy to understand Unless industries flourish Joint Stock enterprise cannot thrive, and a parallel can generally be always found in and locally between its industrialisation and growth of joint stock companies The Presidency stands third in India in respect of the paid-up capital invested in Banks, Mills and Presses, second in regard of tea and other planting companies and fourth in insurance companies, (Burma being excluded) The paid-up capital of all the companies in 1931-32 amounted to Rs 15 crores out of the total Indian paid-up capital of 286 crores

The Madras Presidency comes third after Bombay and Bengal in its contribution to the foreign trade of India The following figures give the imports and exports of merchandise as well the total foreign trade of the Madras Presidency and India.

IMPORTS OF MERCHANDISE
(*Lakhs of Rupees*)

	1934-35	1935-36	1936-37
Madras Presidency	17 35	15,71	15,27
India	134,58	136,76	127,72

EXPORTS OF MERCHANDISE

(*Lakhs of Rupees*)

	1934-35	1935-36	1936-37
Madras Presidency	21,25	26 91	36,24
India	1,55,22	164,29	202,36

The chief imports into the Madras Presidency are Metal and Ores, Cotton Manufactures, Machinery, Millwork, Ooils, sugar, cotton twist and yarn, vehicles, hardware, dyeing and tanning substances, paper and pasteboard, rubber and chemicals The main exports from the Presidency are oilseeds, tanned hides and skines, tea, cotton manufactures, coffee, spices, coir raw and manufactured The following are the more important imports into and exports from the the Presidency during the last three years —

IMPORTS INTO THE PRESIDENCY

(*Lakhs of Rupees*)

	1936-37	1937-38	1938-39
Cotton piecegoods	94	84	65
Cotton Twist and Yarn	68	73	56
Metals and Ores	1,07	1,47	1,26
Machinery and Millwork	2,20	2,40	2,69
Mineral Oils	1,04	5,51	3,69
Sugar	87	25	8 33
Motor Cars	32	42	26
Silk goods	6	10	4
Woollen Manufacture	4	6	3

EXPORTS FROM THE PRESIDENCY

(*Lakhs of Rupees*)

	1936-37	1937-38	1938-39
Oilseeds	11,13	8,51	9,16
Tea	4,07	4,54	4,92
Tanned Skins	3,36	3,11	2,39
Tanned Hides	3,07	3,13	2,20
Cotton raw	2,97	2,07	1,08
Cooton twist and Yarn	4	52	38
Coffee	82	54	74
Cotton piecegoods	1,13	2,22	1,90
Rice	97	1,06	1,16

Of the total Indian imports, about 15 per cent of metals and ores, 1/10th of cotton piecegoods, 1/9th to 1/10th of machinery and millwork, 1/6th of oils, 1/5th of sugar, 1/4th to 1/5th of cotton twist and yarn and 1/8th of motor cars are imported by the Presidency

Of the exports from India, nearly 50 per cent of the oilseeds and cotton 1/4th to 1/5th of tea, and practically all of coffee, tanned hides and tanned skins are contributed by the Presidency

THE UNITED PROVINCES

The United Provinces is seventh of the provinces of India in size, having an area of 112,191 sq miles of which 5,943 constitute the States In point of population, however, the U P ranks third with a total population of 49,619,833 of which 1 2 million is accounted for by the States In its main features, the economic life of the United Provinces is not different from that of the rest of India In the matter, however, of distribution of occupations, the United Provinces has certain notable features, firstly, the proportion of "exploitation of animals and vegetation" at 74 5 is higher than that of the other important provinces like Bengal, Bombay, Madras and the Punjab and is lower than that of only Bihar and Orissa, Central Provinces and Assam If the extent of dependence on agriculture is a clue to the industrialisation of a province, then, one should say that the United Provinces comes next to all other major provinces in point of industrial development But the proportion which industry bears to the total number of occupations, is higher at 11 7 per cent than that of the major provinces inclusive of Bombay But Punjab stands out with the far higher percentage of 17 0

In transport, United Provinces has a proportion higher than that of Madras and C P and Bihar and Orissa, equal to that of Bombay and lower than that of the Punjab and Bengal The distribution of occupation for all the provinces is given below —

	Assam	Bengal	Behar and Orissa	Bombay	Burma	Central Provinces	Madras	Punjab	United Provinces	Hyderabad State
Exploitation of animals and vegetation	81.4	68 0	74 7	67 6	67 8	80 0	46 2	63·4	74 5	56 8
Exploitation of Minerals	0 4	0 2	0 8	0 1	0 6	0 2	0 1	0 1		0 4
Industry	8 3	8 8	8 3	11 3	11 8	8 3	8 8	17 0	11 7	10 7
Transport	1 7	2 0	0 9	2 0	4·1	1 2	1 3	2 1	9	4 5
Trade	3 8	6 8	4 4	5 1	9 3	4 4	4 2	6 0	5 1	11 9
Public administration, Professions and liberal Arts	1 8	2 8	1 7	3 9	4 4	2 0	2 2	4 1	2 0	3 8
Others	2 6	1 14	9 2	10 0	2 6	3 9	3 72	7 3	5 8	11 9

The total area under cultivation, in 1936-37 was 45 million acres Over million acres are devoted to the growing of fruits The United Provinces may boast of a fair share of the important agricultural staples of India Of wheat, out of the total of 25.3 million acres, the U P has as much as 7.63 million Of the total annual production of Indian wheat of 8 million tons, the U P's share comes to 2.5 million The U P has more than half the total acreage under sugar cane While the area under sugarcane in India is only 4.3 million acres, U P alone claims as much as 2.5 million From the standpoint of yield, the U P's share is even higher, being 3.8 million tons out of a total of 6.1 million tons In cotton, rice and linseed, the U P's share is far less While the total Indian acreage under cotton is 15,357,000 acres, only 692,000 acres are in the United Provinces The U P's cotton production of 174,000 bales is but a small proportion of the total Indian output of 4,300,000 bales The area under rice in the U P is only 6.76 million acres out of a total acreage for All-India of 81.7 million The output of rice of the province is 1.92 million tons against 31.1 million tons for the whole country 308,000 acres are devoted to the growing of linseed and the U P's output of linseed is 148,000 tons against 356,000 tons for all India Agriculture in the U P. must be said to have a bright future before it At present, however, conditions are not as one would wish them to be; for the depression has hit the United Provinces hard and the finances of the Province have been altogether upset The report of Sir Otto Niemeyer,, while referring to the undoubted need of the provinces for help from the centre, is also confident that in the future, the U P could be numbered as one of the major provinces of India and that the financial help which the Central Government now makes is, purely, of a 4,000 miles of main channel and distributories and 1,200 miles of drains over an area of 6 million acres, of which on an average of 1,350,000 is expected to be irrigated annually by its means New masonry wells to the number of 150,315 were constructed during the decade covered by temporary kind In considering the prospects of agriculture of this province, reference may be made to the fact that the Sarda Irrigation Canal, on which work was started in 1921, was opened in the main branch in 1928 This comprises some the last census, mostly at the expense of the cultivators themselves The principal crops are rice, millet, wheat, barley and pulse In sugarcane the U. P has the means of improvement both to agriculture and to the industry of the province The outlook of U P may be said to have changed almost beyond recognition with the institution of a policy of protection for the Indian Sugar Industry The Government have attempted to distribute the benefits of such a favoured industry by passing legislation for the enforcement of minimum prices for sugarcane What Bombay Presidency is for the cotton mill industry, the United Provinces may be said to be for the sugar industry The development of this industry has made up for the weakness of the U P in its lack of subsidiary occupations It is noteworthy too that the United Provinces is alone among the provinces of India for its small number of handlooms which according to the report of the Cotton Textile Tariff Board of 1932, is only 75,000, while hardly any province excepting Dehi and N. W F Province has less than a lakh of looms

It must also be mentioned that in cattle breeding the U P is ahead of most other provinces of India It is reputed to be the largest importer of cotton, and it can boast of 4 cattle breeding farms, managed by government in Muttra, Jhansi and Khevi districts and in Bhabar and Therai estates

It is also likely to derive the largest benefit from the impetus given by His Excellency Lord Linlithgow to cattle breeding in India

By far the most encouraging aspect of the economic life of the United Provinces is the spread of hydro-electric power mainly for purposes of agriculture, and the resulting scientific outlook in regard to problems affecting agriculture It is also noteworthy that, according to the banking enquiry Committee, 46 per cent of agricultural tenants and peasant proprietors were free from debts and 22 per cent owed less than two years' rents, though a larger number of landlords were in debt and their debts were very much greater.

As regards industry, the U P. may well claim that it has the most well-distributed industrial activity, compared to the other provinces It has been already pointed out that the occupational statistics suggest a higher degree of industrialisation than in most other provinces Another circumstance pointing towards the same conclusion is that the U. P. has a larger number of cities than Madras or the Punjab or the C P, not to speak of Bengal. But this

it must be added, is due largely to the historic importance of the cities and not to the concentration of pupulation which industrial activity invariably brings about Nevertheless, large aggregations of population promote brisk activity in trade and commerce, if not industry And active business helps the develpoment of industrial concerns, and this must explain to some extent the variety of the industrial life of the U P But this, again, rests on the variety of its natural resources It has been mentioned already that in the sugar industry, the U P has the pride of place Sugar factories rose from 14 in 1931-32 to 99 in 1936-37 The output now stands at 374,000 tons against 202,000 tons of Bihar and Orissa The percentage of total production is 54 7 Of cotton mills, the U P has a fair share, though in the production of cotton, as we have seen already, the contribution of the U P is far from impressive The province has utilised its high place in the production of wheat and oilseeds to develop its own flour mills and oil mills Small industries like soap and toilette requisites and hosiery are slowly making headway The progress of the province in the future will, however, depend on the efforts of the Government to modernise agriculture and teach the peasant to use electric power

PUNJAB

The Punjab with its feudatories embraces an area of 136,260 square miles, the British districts occupying 99,200 square miles and the States 37,060 square miles From 1st October, 1936, with the formation of a new Political Agency at Simla the Punjab States (which till then formed two groups, *viz*, "Punjab States" and "Punjab States Agency"), have all been transferred to the Punjab States Agency The total population of the Province in 1931, including the Baluch tribes of the Dera Ghazi Khan border was 28,490,857, of whom 4,910,005 were in the Indian States That is to say, the Punjab comprises about one-thirteenth of the area and population (238 per square mile) the Province comes next to Bengal, Bihar, U P, Orissa and Madras, in that order

Bounded on the east by the Jumna and by the Suleiman range in the west, the greater part of the Punjab forms one vast alluvial plain The physical configuration of the Province falls into five natural divisions (1) The Himalayan tract including an area of 22,000 square miles scantily populated in scattered mountain hamlets, (2) the Salt Range tract extending over the districts of Attock, Rawalpindi and Jhelum and part of Shahpur district, a broken territory, its hilly regions approximating in its physical characteristics to the Himalayan tract Rainfall in this region is insufficient to provide against distress in unfavourable seasons, irrigation being almost absent (3) The sub-montane tract, including within itself the low hills of the Siwaliks, on the other hand enjoys ample rainfall and is further watered by the streams from the hills This tract comprises some of the most fertile and thickly populated portions of the Province The population of this region (over 4 millions), pursue, almost wholly, agricultural and pastorl vocations Sialkot is the sole urban centre (4) The eastern portion of the Punjab plains with an area of over 36,000 square miles and population of 10½ millions—a largely urban area, in comparison with the Western Punjab The large cities of Amritsar and Lahore lie within this tract Everywhere in this region rainfall is just sufficient for cultivation to be made possible without irrigation, but not to safeguard against distress, except where irrigation is employed, in times of even a slight failure of the rains (5) The western plains comprise an area of nearly 60,000 acres with a population of over six millions Because of scanty rainfall everywhere in the area, cultivation is independent of rain, being made possible with the aid of artificial irrigation or in riverine regions left moist by the retreating floods This part of the Punjab plains include the great colony areas on the Chenab and the Jhelum canals which seem to be well on their way to dispute the claim of the eastern tracts as the most fertile and populous portion of the province Multan and Lyallpur are the largest urban centres in this area

IRRIGATION

About one-sixth of the total area of the province is Government property the rest being owned by private interests A large part of the Government land is so situated that cultivation is made possible only by extensive irrigation The Lower Chenab canal now irrigates 1,945,000 acres of former waste land, the Lower Jhelum Canal, 4,18,000 acres and the lower Bari Doab Canal an additional 1,016,000 acres The opening of the Sutlej Valley Canals has brought in a further area of about 1,362,000 acres under cultivation The area irrigated in 1934-35 by Government works was largest

in the Punjab where 10 48 million acres were irrigated during the year Madras came next with 7 3 million acres followed by Sind with an area of 4 06 million acres During the triennium 1930-33, of the 10,995,258 acres (average area) irrigated in the Punjab 10,314,031 acres were served by Productive Works and only 681,227 acres by Unproductive Works, while the average area irrigated in British India as a whole during the triennium was 30 23 million acres Thus the Punjab accounted for over 35 per cent of the total area irrigated

THE HAVELI IRRIGATION SCHEME

The project when fully developed, will provide perennial irrigation to 500,000 acres and non-perennial irrigation to 450,000 acres in the Jhang, Multan and Muzaffargarh districts The net annual revenue ten years after the canals begin functioning and after paying working expenses has been estimated to be Rs 43,000,000, that is to say, a return of 8 per cent on the capital expenditure, but it will probably be more in view of the several savings that have been effected The scheme was originally estimated to cost Rs 5,25,00,000 But the actual expenditure is likely to much less The expenditure during 1937-38 was Rs 64,50,000 out of which the Punjab Government met Rs 45,00,000 from their own resources and the balance from the cash section of the loan raised last year During 1938-39 the expenditure wes estimated at Rs 1,50,00,000 The Punjab Government are meeting half a crore from their own resources, and for the balance a loan of Rs 1,00,00,000 was floated during the year

Progress on the construction of the Emerson Barrage, the headworks of the project and other works has made rapid strides

AGRICULTURE

Punjab is essentially a country of peasant proprietors Agriculture is the mainstay of the people affording means of subsistence to 65 5 per cent of the population The total area sown in 1935-36 in the Province was 28 million acres (Net area actually sown 24,462,134 acres current fallows 3,606,988 acres), which is very nearly a tenth of the total sown area in India Punjab comes third in this respect in India after the U P. and Madras Wheat, the staple food of the people of the province occupies the largest acreage and the development of irrigation has led to a great expansion of the wheat area, which in 1935-36 occupied 9 3 million acres, being the largest acreage of any province in India, covering nearly 36 per cent of the total wheat area in the country Rice is cultivated in under 1 million acres, Bajra (or spiked millet) 3 million acres, Maize over 1 million acres, Gram (pulse) 4 7 million acres and other foodcrops, 4 million acres Punjab stands, amongst the Indian provinces first in the cultivation of wheat, second in Bajra and Gram, third in Barley and Maize Other important staples are oilseeds, rape, toria and sesamum, cotton and sugarcane In 1935-36 2 8 million acres were under cotton cultivation as against 4.1 million acres in Bombay 4 million acres in C P and 2 6 million acres in Madras Large areas in the canal colonies grow American cotton but in the other cotton-growing districts the short staple varieties are predominant Being preponderatingly agricultural, livestock occupies a prominent place in rural economy and the cattle and dairy trades are well developed Wool is a staple product in Kulu and Kangra and throughout the plains generally The production of hides and skins is also an important industry

THE CO-OPERATIVE MOVEMENT

In the progress of the co-operative movement the Punjab generally speaking leads in many respects with Bombay coming close behind The Punjab with about 22,500 societies stands first in the number of societies (89) per one lakh inhabitants, while Bengal with a larger number of societies than the Punjab comes second in that respect with 45 The Punjab again leads in the number of members of Societies (30 8) per one thousand inhabitants, Bombay coming next with 28 1 while Madras and Bengal rank thereafter Considering the third aspect of the growth of the movement, *viz*, the distribution of the *Working Capital* by provinces, we find that Bombay and Sind lead in this respect with 125 annas per head of the population The Punjab is a close second with 117 In the Punjab as in the rest of India the agricultural societies predominate while the urban societies show a much slower development Thus out a total of 22,500 societies in 1935-36, 18,559 were agricultural and only 3,820 non-agricultural But even in this respect, Punjab holds the premier position with 3,820 societies out of a total of 10,092 for British India, while Bengal has 2,279 societies and Madras 1,468

On the other hand, only in Bombay and Bengal do we find any real progress made in one important aspect of urban co-operation, namely, people's co-operative banks The Punjab has 1,030 unlimited liability (non-agricultural) societies, but only 162 with

limited liability and even these are heardly people's banks in the real sense In Madras again, most of the 1,055 agricultural credit societies are not real people's banks In Bombay in 1935-36 there were 131 urban banks most of which working successfully It is clear that the development of urban banking is a distinct contribution of Bombay to the co-operative movement in India, an example which other Provinces are yet slow to follow

As regards Thrift Societies which are a variation of the urban co-operative societies, the Punjab occupies a predominant position There are about 1,000 such societ es the bulk of whose members are schoolmasters There are again 125 Thrift Societies for women only, having a membership of about 2,000 The Punjab has also been the pioneer in introducing the very useful type of co-operative society to promote better living among its members There are about 300 such societies in the Province which have been responsible for carrying out quite useful and important work by way of village uplift as well as their economic objective of strengthening the position of the agriculturist With the active encouragement of popular ministries there have been indications that before long such societies would be established in great numbers in the other provinces also

Despite the prominent position the Punjab occupies in the development of the co-operative movement, there has yet been only a beginning in the direction of land mortgage banks for the provision of long term loans to the agriculturists At present there are only 12 co-operative land mortgage banks whole districts, the rest confining their operations to a single tehsil Madras with its 38 primary land mortgage banks is the most progressive province in this respect Bombay has 15 which have only recently started their operations Though in the Punjab the Government guarantees the interest on debentures raised by these banks, thereby enabling them to meet all reasonable needs, there will have to be a Central land mortgage bank as in Bombay and Madras, to serve as starting point of a systematic development of land mortgage banking in the province

The position as regards overdue loans in agricultural societies testifies to the soundness of the movement in the Punjab Thus the share of the province in overdue loans by individuals is only 31 lakhs as against 11,66 lakhs for the whole of India More striking are the percentage figures of overdue loans to working capital and loans due, which are 4 and 5 respectively as against 34 and 44 respectively for all-India

While the non-credit side of the movement has made only meagre progress in India as a whole, the most remarkable instance of the development that has so far been made is to be found in the Punjab where the interesting but difficult experiment in the direction of consolidation of holdings through co-operation originated in the year 1920 As a result of patient work accomplished since then the movement for consolidation in the Punjab has assumed significant dimensions in the shape of an important agricultural reform

INDUSTRIES

The Punjab is markedly deficient in its mineral wealth Rocksalt, saltpetre and limestone for road building are the chief products A few small coal mines are situated in the Jhelum, Shahpur and Mianwali districts Gold-washing is a remunerative occupation along most of the rivers Iron and copper ores though plentiful cannot be worked on a large scale owing to the difficulty of transport and the paucity of fuel resources within easy reach The province possesses only 802 factories (compared with Bombay 1 611 factories, Bengal 1,667 and Madras 1,584), the majority of which are cotton ginning and pressing factories Factory statistics for 1936 give the total number of workers employed in the factories as 63,962 Though the Punjab is not a large manufacturing province, it stands foremost in the large percentage of workers who are supported by small scale and cottage industries Thus, while the percentage of total workers and working dependents supported by "industry" is 11 3 in Bombay, 8 8 in Madras and 11 7 in the U P the figure for the Punjab is as high as 17 Handloom weaving is one of the major cottage industries both as regards the number of workers engaged and the value of products Production in blankets and woolen rungs is considerable Amritsar is the chief centre of the carpet industry Silk weaving is also widely carried on Craftsmanship in gold, silver, ivory, brass, copper and earthenware is fairly widely distributed Extraction and refinement of mineral oil is carried on in the Attock and Rawalpindi districts Wah near Hassanabdal possesses a cement factory Abdullapur, a paper and pulp mill and in Lyallpur there is a factory for the hydrogenation and refining of oils

CENTRAL PROVINCES AND BERAR

The Central Provinces and Berar form roughly a great triangle of country midway between Bombay and Bengal Their area is 131,557 square miles of which 80,637 are British Indian territory proper and 17,808 (viz Berar) held in perpetual lease from H. E. H. The Nizam and the remainder held by Feudatory Chiefs The population (according to the 1931 Census) is 15,323,058 in C P. districts and Berar Thus while C. P and Berar proper are of the same area as the Punjab (99,200 sq. miles), the latter is more densely populated (23,580,852) The growth of population in the provinces during the last fifty years is 30 per cent while the figure for the whole of India during the same period is 39 per cent. The following table sets forth the distribution of population in the several provinces.

	Province	Population per sq mile	No of inhabitants per 100 acres of crops sown
1	Bengal	646	221
2.	C. P. and Berar	155	64
3.	Bombay .	233	63
4	Madras	329	151
5	Bihar	608	133
6.	Orissa	387	84
7.	Assam ..	157	135
8	North-West Frontier	179	105
9.	Punjab	238	86
10	Sind	84	81
11.	U P .	156	135
	India (British territory)	221	106

The physiography of the Central Provinces exhibits three distinct features The Vindhyan plateau in the North-West, covered with poor and stunted forest descends steeply down its southern slopes into the rich wheat growing country of the Narmada (Nerbudda) valley Further comes the high Satpura uplands of forest-covered hills alternating with deep water-cut ravines. The Satpura plateau declines into the Nagpur plain characterised by broad stretches of "deep" black cotton soil which make it one of the important cotton growing tracts of India and the wealthiest part of C. P. proper. The Eastern part of the plain forms the valley of the Wainganga and is mainly a rice-growing country watered by numerous irrigation tanks. In the Mahanadi basin further to the east lies the extensive rice country of Chhatisgarh. The south-eastern region of the province is again mountainous containing 24,000 square miles of forest and deep ravines mostly inhabited by jungle tribes. Berar lies to the south-west and is chiefly characterised by its rich black cotton soil

The population of the province is mixed It is believed that before the Aryan invasion the whole of it was peopled by primitive tribes of whom the Gonds are the chief representatives to-day The early inhabitants were forced to retreat into the inaccessible forests and hills as successive waves of immigration flowed from all sides The Gonds and other tribes now form nearly a quarter of the whole population of the Central Provinces, being found in large numbers in nearly all parts of the province. The last census reveals that a gradual Hinduising of the aboriginals is going on, the process of absorption being more or less civilising. The language divisions of the province illustrate the main divisions of the immigrant population. The Hindi speaking people who form 56 per cent. of the total population predominate in the North and East and those who speak Marathi (31 per cent) in Berar and the West and Centre of the Central Provinces. A curious feature of the effects of successive invasion is illustrated in Berar where the Moslem population speak Marathi and numbers of whom have Hindu names, being descendants of former Hindu officials who on the Mohamedan invasion had adopted Islam. But the chief characteristic of the political and communal life of the provinces is the cleavage between the Hindi and the Marathi sections of the population, which has of late shown signs of intensification following the introduction of provincial autonomy The following would be of help in making a comparative study of the occupation of the people in Central Provinces with that of Bengal and India.

	C P	Bengal	India
	%	%	%
Exploitation of animals and vegetation	80	68	67 11
Exploitation of Minerals	0 2	0 2	0 23
Industry .	8 3	8 8	9 97
Transport	1 2	2 0	1 53
Trade	4 4	6 8	5 15
Public Administration, professions and liberal arts .	2 0	2 8	2 69
Others ...	3.9	11 4	13.32

The percentage of people living by the production of raw materials is, next to Assam (81 4%) the highest of all the other provinces Figures for transport, trade and industry compare favourably with those of the major provinces The percentage in C P in Public Administration, professions and liberal arts is less than that of India as a whole This is reflected in the literacy statistics for the province

Literate Females per thousand	Literate Males per thousand	Total Literates per thousand
9 9	102	60

Agriculture of course is the prime industry of the province in common with the rest of India and is assisted by one of the most efficient agricultural departments in India and is now receiving additional strength by a phenomenal growth of the co-operative credit movement Land tenure is chiefly on the malguzari or landlord system ranging from the great Feudatory chiefships to holdings of small dimensions Land legislation has been systematically undertaken to protect the individual cultivator. Land tenure in Berar is similar to that of the Bombay raiyatwari system Excluding forest and waste 67 per cent of the total land area of the Province is occupied for cultivation The proportion averages 83 per cent for the two most advanced districts in C P while the average figure for the Berar districts as high as 93 per cent There has been a steady extension of the cultivated area except for temporary checks caused by bad seasons Rice is the most extensive single crop, covering nearly 30 per cent of the cropped area Wheat comes next with over 15 per cent then pulses and other cereals and oilseeds with nearly 50 per cent. and cotton nearly 6 per cent. 41 per cent. of the Berar cultivated area is occupied by cotton The total out-turn of cotton in C P and Berar in 1935-36 amounted to 616,000 bales or nearly 16 per cent of the total production for the whole of India The corresponding figures for Linseed were 80,000 tons or nearly 24 per cent. C P comes next to U P (147,000 tons) in the annual production of this crop Next comes Juar and then pulses and other cereals and oil seeds of the cropped area Jower covers 36 per cent then wheat and oil-seeds Linseed covers nearly 52 per cent of the total area under oilseeds

The more important of the irrigation works in the Provinces are the Wainganga, Tandula, Mahanadi, Kharung and Maniari canals It is estimated that during the last 37 years a sum of Rs 7 25 crores has been expended on the construction of irrigation works by the State The conditions in the provinces are such that irrigatnon works cannot be anything but unproductive and the only justification for their construction is their value as protection against famine The normal area under annual irrigation is now about 315,0060 acres, mainly rice, and the income from these works more than covers their maintenance costs.

	By Canals		Area By Tanks	Area By wells	Irrigated (in Acres) Other Sources	Total Area Irrigated
	Govt	Private				
C P	*	1,090,280	*	162,172	65,187	1,317,639

* Included under "Private Canals"

Central Provinces & Berar (1935-36)

Total Area	63,004,800 acres
Cultivated Not area actually sown	24,301,398 ,,
Current Fallows	3,958,846 ,,
Uncultivated Cultivable Waste other than Fallow	14,052,250 ,,
Not available for Cultivation	4,914,828 ,,
Forests .	19,429 Square Mile

One-fifth of the whole province forms the forest area, 16,090 square miles being Government Reserved forest in C P In Berar the forest area is about 3,339 sq. miles Forest conservation is rendered difficulty and costly by the rugged nature of the country.

Forest Statistics—C P & Berar

Area of Province	98,573 Square miles
Reserved Forests	19,398 ,,
Protected Forests	
Total	19,898 ,,
Percentage of forests to whole Area of Province	19 6
Outturn of Produce	
(a) Timber fuel	49,406,000 c. ft
(b) Minor Produce	20,95,469 c ft
Revenue	Rs 49,39,304
Expenditure	Rs 35,39,350
Simples	Rs 13,99,954

Statistics of the Co-operative movement in India show that progress in different parts of India has not been uniform Bengal, the Punjab and Madras have the largest number of Societies—while the other major provinces like Bombay, Bihar and Orissa, the U. P and the C P and Assam show distinctly smaller figures. Thus the Punjab with about 22,500 societies (for 1935-36) stands first in the number of societies 89 per one lakh inhabitants. In 1935-36 in C. P. the total number of members of primary societies was only 61,587 or 6.6 per thousand inhabitants. The corresponding figures for the Punjab, Madras and Bombay were 30 8, 28 1 and 18.1. The working capital of the co-operative organisation in 1935-36 amounted to only Rs 540 lakhs in C P corresponding to 53 as. per head of population. An important test of the success or otherwise of a co-operative credit society is undoubtedly the promptness in repayment of loans by members and it is in this respect that one has to acknowledge that in India the societies have not attained any great measure of success Thus while for all India, the overdue loans were 34 per cent. of the working capital and 44 per cent. of the total loans due by individuals on the 30th June, 1936, the corresponding figures in C P. were as high as 65 and 82 and for Bihar and Orissa 65 and 87. The growth of overdue loans is a disquieting portent and reflects badly on the soundness of the co-operative structure as a whole This tendency can best be arrested by a tighter control of the loan advancing machinery and thereby preventing the sanctioning of loans for unproductive though necessary social or domestic purposes

The followingtable gives the percentage of overdue loans in Agricultural societies to (*a*) working capital (*b*) loans due·—

Overdue Loans in Agricultural Societies, 1935-36
(in lakhs of rupees)

Province	Working Capital	Loans due by individuals	Overdue loans by individuals	Percentage of overdue loans to Working Capital	Percentage of overdue loans to Loans Due
1 Central Provinces and Berar	1,30	1 04	85	65	82
2 Bengal	3,25	2,61	1,42	44	54
3 Bombay	6,15	4,06	3,28	53	81
4 Punjab	8,67	6,76	31	4	5
5 Madras	5,85	4,47	2,10	36	47
6 United Provinces	1,06	78	38	35	49
7 Behar & Orissa	2,04	1,52	1,32	65	87
8 Sind	89	72	16	18	22
9 assam	33	21	20	61	95
Mysore	54	48	28	52	58
Baroda	35	29	13	87	45
Hyderabad	82	58			
Gwalior	31	47	35	1 13	74
Kashmir	54	41	6	11	15
Travancore	36	29	20	56	69
Others	97	82	12	12	15
TOTAL	34,60	25,52	11,66	34	44

The non-credit side of the co-operative movement in common with the rest of India has not made any headway in the Central Provinces. Of the 5,150 societies in India

in 1936, the Punjab claimed 1,727, Bengal 1,322, the U P 915, Madras 443 and C P 67

Province	Purchase & Sale	Production	Production & Sale	Other forms of Cooperation	Total
Madras	91		13	330	443
Bombay	56	17	77	134	284
Sind	3		15	13	31
Bengal	73	957	246	46	1,322
Bihar & Orissa	3	1	7	13	24
U P	1		411	503	915
Punjab	18	217	1,398	94	1,727
Burma	1	5	10		16
C P & Berar	44	14	9		67
Mysore	23		17	41	81
Baroda	10	27	20	97	154
Other Areas	25	3	35	23	86
Total	348	1,241	2,258	1,303	5,150

The important industries of the province are cotton textiles, manganese and coal mining and marble quarrying The largest numbers engaged in any of the modern industrial concerns are employed in manganese mining which in 1936 employed 14,834 persons and raised 568,806 tons It may here be mentioned that the most important deposits of manganese ore in India occur in the C. P, Madras, Central India and Mysore—the largest supply coming from the C P "In none of the major Indian mineral industries have the effects of the great slump been so seriously feet as in the manganese industry, it is gratifying, therefore, that some measure of recovery can now be recorded though the value of the output is still less than half the peak figure of 1927" (The Indian Year Book)

Recovery in 1936 was marked by substantial increases in production in the Balaghat, Nagpur and Bhandara districts of the C P The improvement is illustrated by the following figures of production 1933-28, 789 tons, 1936—568,806 tons The amount of ground still to be recovered can be judged by comparing the 1936 figures with the level reached during the quinquennium 1924-28 *viz*, an average of 660,559 tons annually. The opening of the new port at Vizagapatam (remarks the Indian Year Book) has been the brightest feature in the Indian manganese industry during the last four years on account of the reduced lead from the Central Provinces to the sea The United Kingdom retains her position as the chief importer of Indian manganese ore, the U S. coming second.

Nagpur is the chief centre of a busy cotton spinning and weaving industry, the first mills—The Empress Mills owned by Parsi manufacturers having been opened there in 1877 The total amount of Indian yarn exported from the province during the year 1936-37 was 201,105 maunds The Punjab, Bombay, C P and Hyderabad, are the chief producing centres of cotton in that order

Provinces & States	1935-36 (Provincial Estimates) Acres in thousands	Bales of 400 lbs in thousands	1936-37 (Provincial Estimates) Acres in thousands	Bales of 400 lbs in thousands
Punjab (a)	3,519	1,582	3,692	1,920
Bambay (a)	6,637	1,369	5,894	1,145
Central Provinces & Berar	4,068	616	3,969	810
Hydiabad	3,698	569	3,080	499
Central India	1,201	180	1,407	202

Coal mining in the province, with an output of 1,507,986 tons employs 12,731 workers Then follow the Jubbulpore marble quarries and allied works, the limestone quarries and the mines for pottery clay soapstone, etc

The total number of factories legally recognised as such as 1,033 in 1936 the number of workers employed being 63,186

The province as a whole is yet in the early stages of industrialisation. The general economic influences operating elsewhere in India are equally at work in the C P the old village industries gradually losing their hold everywhere, with the improvement of communications and the concentration of new industries in the towns

The new orientation given by the Congress Governments in the provinces to labour problems has had its effect in Central Provinces where Government following the lead of Bombay, the U. P and Bihar appointed a committee to enquire into the wages and conditions of labour in the cotton and textile industries The report was published in May, 1938, and its recommendations are being implemented

The position of the joint-stock enterprise in the C P is given in the following table:

	Foreign Companies Registered in India	Registered in C P & Berar
Banking and Loan	6	
Insurance	11	
Trading and Manufacturing	36	1
Coal Mining	6	
Other Mining and Raniganj		2
Cotton Mills	3	
Cotton Ginning Pressing etc	5	
Estate, Land and Building	1	
Others	10	
Total	78	3

Distribution of Population According to Residence and Education

Provinces	Males: Total Population	Males: Illiterate	Males: Literate	Males: Literate in English	Females: Total Population	Females: Illiterate	Females: Literate	Females: Literate in English
Madras	28,082,999	19,876,024	8,706,975	508,309	23,657,108	23,045,203	611,905	71,055
Bombay (Exclusive of Aden)	(a) 11,503,588	9,741,533	1,730,010	813,138	(i) 10,375,565	10,056,827	278,875	57,702
Aden	(b) 32,345	24,522	7,803	2,865	(j) 19,133	18,349	782	477
Bengal	26,041,698	22,008,436	4,033,262	960,396	24,072,304	23,411,853	660,451	98,582
United Provinces	25,445,006	23,401,596	2,043,410	240,140	22,963,757	22,747,529	216,228	26,027
Punjab	12,880,510	11,783,466	1,097,044	230,390	10,700,342	10,549,629	150,713	19,217
Burma	(c) 7,490,601	3,844,886	3,635,790	180,976	(k) 7,176,545	6,156,323	1,010,298	30,714
Bihar and Orissa	18,794,138	17,219,632	1,574,506	157,149	18,883,538	18,754,078	129,360	12,785
Central Provinces and Berar	7,761,818	6,970,887	790,981	81,964	7,745,905	7,669,121	76,784	9 309
Assam	4,537,206	3,945,516	591,690	84,873	4,085,045	4,010,419	74,626	4,730
North-West Frontier Province	1,315,818	1,226,760	89,058	23,921	1,109,258	1,097,950	11,308	1,796
Baluchistan	270,004	238,018	31,986	9,939	193,504	189,646	3,858	1,523
Ajmer-Mewara	296,081	244,603	51,478	11,334	264,211	256,428	7,783	1,566
Coorg	90,575	70,683	14,692	3,279	72,752	67,308	5,444	703
Delhi	369,497	296,120	73,377	29,105	266,749	250,654	16,095	4,080
Andamans and Nicobars	(d) 19,702	15,070	3,815	875	(l) 9,761	8,724	334	86
TOTAL BRITISH PROVINCES	(e) 139,931,556	120,407,702	19,481,077	2,788,655	(m) 131,595,377	128,290,241	3,249,344	340,352
States								
Baroda	1,257,817	902,750	355,067	30,218	1,185,190	1,105,523	79,667	1,804
Central India	3,405,438	3,136,893	268,545	26,918	3,227,352	3,201,780	25,572	2,745
Gwalior	1,867,031	1,740,884	126,147	12,717	1,656,039	1,640,844	15,195	897
Hyderabad	7,370,010	6,842,416	527,594	65,329	7,066,138	6,998,099	68,039	7,517
Cochin	589,813	364,388	225,425	28,533	615,203	501,414	113,789	8,442
Travancore	2,565,073	1,698,760	866,313	65,500	2,530,900	2,179,289	351,611	15,151
Mysore	3,353,963	2,849,523	504,440	78,419	3,203,339	3,113,253	90,086	13,041
Rajputana	5,885,028	5,504,140	380,888	28,133	5,340,684	5,315,426	25,258	1,663
Other Indian States	15,603,194	13,196,594	1,234,255	129,047	14,588,633	13,388,311	150,544	6,271
TOTAL INDIAN STATES	(g) 41,897,367	36,236,348	4,488,674	464,814	(n) 39,413,478	37,443,939	919,761	57,531
GRAND TOTAL	(h) 181,828,923	156,644,050	23,969,751	3,253,467	(p) 352,837,778	322,378,230	28,138,856	3,651,350

(a) Not enumerated by literacy 32 015 Males
(b) ,, ,, ,, 20 ,,
(c) ,, ,, ,, 9,925 ,,
(d) ,, ,, ,, 817 ,,
(e) ,, ,, ,, 42,777 ,,
(g) ,, ,, ,, 1,172,345 ,,
(h) ,, ,, ,, 1,215,122 ,,

(i) Not enumerated by literacy 45,363 Females
(j) ,, ,, ,, 2 ,,
(k) ,, ,, ,, 9,724 ,,
(l) ,, ,, ,, 703 ,,
(m) ,, ,, ,, 55,792 ,,
(n) ,, ,, ,, 1,105,570 ,,
(p) ,, ,, ,, 2,320,692 ,,

Number of workers (in thousands) in Indian States classified According to occupation.

Occupations	Hyderabad	Rajputana	Central India	Mysore	Madras States	Baroda	U P States	Central Province	Gwalior	N-W F States	Other Indian States	Total Indian States
A —Production of Raw Materials	4,446	4,535	2,724	2,373	1,162	890	531	1,115	1,369	4	8,125	27,306
i Exploitation of the surface of the earth	4,412	4,526	2,720	2,861	1,658	888	531	1,115	1,366	4	7,630	27,211
(1) Pasture and Agriculture	4,295	4,526	2,711	2,359	1,608	886	530	1,112	1,365	4	10,804	27,000
(2) Fishing and Hunting	117		9	2	50	2	1	3	1		26	211
ii Extraction of Minerals	34	9	4	12	4	2			3		27	95
B.—Transformation and Employment of Raw Meterials	2,103	1,147	539	50	833	230	78	135	289	5	2,102	7,511
iii Industry	824	751	335	294	527	139	49	92	187	2	1,037	4,242
iv Transport	351	58	36	40	63	17	3	10	10	1	134	723
v Trade	923	338	168	167	243	74	26	33	92	2	480	2,546
C —Public Administration and Liberal Arts	297	302	126	120	120	63	14	15	61	35	342	1,495
vi Public Force	55	59	37	21	6	16	3	5	19	34	18	332
vii Public Administration	93	72	48	52	26	15	4	4	16	1	109	440
viii Profesions and Liberal Arts	144	171	41	47	88	32	7	6	26		156	723
D —Miscellaneous	922	384	286	236	1,337	93	27	30	203	2	1,566	5,086
ix Persons living on their own Income	23	7	5	8	8	7			2		24	84
x Domestic services	534	92	60	4)	1,142	8	10	14	32	.	720	2,652
xi Insufficiently described occupations	196	199	171	158	179	72	13	9	143	2	750	1,842
xii Others	169	86	50	21	8	6	4	7	26		131	508
Grand Total	7,768	6,368	3,675	3,230	3,952	1,276	680	1,295	1,922	46	34,,181	4,139

Number of Workers (in thousands) in British India classified According to occupation.

OCCUPATIONS	Madras	Bombay	Bengal	United Province	Punjab	Burma	Bihar and Orrisa	C P and Berar	Assam	N W F Prov	Baluchistan	Ajmer Merwara	Coorg	Delhi	Andamans	Total British Prov
A.—Propuction of Raw Meterials	13,203	5,889	10,613	19,660	5,430	4,558	12,873	6,987	3,603	587	140	198	63	73	11	83,858
i Exploitation of surface of earth	13,189	5,876	10,568	19,653	5,424	4,516	12,733	6,963	3,587	557	139	197	63	72	11	83,548
(1) Pasture and Agriculture	13,008	5,998	10,350	19,621	5,419	4,439	12,650	6,901	3,505	557	139	197	63	72	11	82,750
(2) Fishing and Hunting	181	78	218	32	5	77	83	62	82							818
ii Extraction of Minerals	14	18	45	7	6	42	140	24	16		1	1		1		310
B.—Transformation and Employment of Raw Materials	4,109	1,771	2,763	4,788	2,148	1,680	2,273	1,224	596	200	50	78	11	134	3	22,128
iii Industry	2,526	1,068	1,383	3,140	1,664	786	1,362	716	355	113	17	41	5	75	1	13,282
iv Transport	377	213	313	287	214	276	158	111	77	22	17	15	2	22	1	2,055
v Trade	1,206	490	1,067	1,361	520	618	753	417	164	65	16	22	4	37	1	6,791
C.—Public Administrations and Liberal Arts	620	365	444	520	378	290	289	188	80	78	31	16	2	24	2	3 324
vi Public Force	62	147	69	109	89	31	44	48	13	44	24	4	1	9	1	609
vii Public Administration	179	153	52	86	93	52	18	48	13	11	3	3	1	7	1	714
viii Professions and Liberal Arts	379	927	323	325	196	207	227	92	54	23	4	9		8		2,001
D.—Miscellaneous	10,652	25	1,788	1,543	702	135	1,679	362	113	77	11	26	49	48	5	18,117
ix Persons living in their own income	30	192	28	34	52	8	2	6	2	4	1	2	..	2		896
x Domestic Service	7,690	518	876	541	242	45	212	102	34	15	7	6	36	24	1	10,022
xi Insufficiently Described occupations	2,763		673	740	212	57	1,373	183	44	45	1	13	13	19	4	6,658
xii Others	169	192	212	228	196	25	92	71	33	13	2	5		3		1,241
GRAND TOTAL	28,584	8,952	15,608	26,451	8,958	6,663	17,114	8,808	4 392	912	232	318	175	272	21	127,427

Population and Constitution of Municipalities, with Income and Expenditure

Province	No of Munici-palities	Population within Municipal Limits	No of Members of Com-mittee	Classification of Members: Official	Classification of Members: Non-Official	Income (excluding Balances): From Rates and Taxes	Income (excluding Balances): From other Sources (including Extra-ordinary and Debt)	Income (excluding Balances): Total	Incidence per Head of Population: Rates and Taxes	Incidence per Head of Population: Total Income (excluding Extra-ordinary and Debt)	Expenditure
						Rs	Rs	Rs	Rs A P	Rs A P	Rs
Madras (excluding Madras City)	82	3,079,985	1,799		1,799	1,00,31,303	1,09,17,785	2,09,49,088	3 4 1	5 5 8	2,06,40,222
Madras City	1	647,228	50	1	44	47,02,080	59,02,273	1,06,04,353	7 4 2	11 3 7	1,03,94,177
Bombay (excluding Bombay City)	155	3,288,982	3,049	171	3,878	1,97,62,098	2,44,67,544	4,42,29,642	6 0 2	7 15 5	4,22,63,183
Bombay City	1	1,161,383	112	4	108	2,59,20,675	18,00,58,586	20,59,79,261	22 5 1	27 14 5	20,89,83,936
Bengal (excluding Calcutta)	118	2,334,466	1,724	109	1,615	76,60,131	29,17,169	1,05,77,240	3 4 6	3 15 2	1,08,05,811
Calcutta	1	1,158,044	92	1	91	2,03,30,855	1,69,39,499	3,72,70,354	17 8 0	21 2 0	3,50,47,697
United Provinces	85	3,416,649	1,174	12	1,162	1,20,80,095	68,89,001	1,89,69,096	3 8 1	5 2 1	1,86,23,556
Punjab	121	2,308,335	1,368	111	1,257	97,35,656	62,73,161	1,60,08,817	4 3 6	6 9 2	1,57,13,867
Burma (excluding Rangoon)	58	913,511	815	92	723	34,03,831	41,55,800	75,59,361	3 11 7	7 7 2	72,31,910
Rangoon	1	427,870	33	4	29	59,76,062	83,45,282	1,43,21,344	13 15 6	20 14 9	1,53,66,700
Bihar and Orissa	67	1,492,276	936	94	842	28,51,580	22,30,515	50,82,095	1 14 7	3 0 11	53,49,792
Central Provinces and Berar	75	1,405,652	1,325	22	1,303	47,35,942	31,47,430	78,83,372	3 5 11	4 11 7	77,72,689
Assam	27	216,713	341	33	308	8,28,385	4,59,501	12,89,886	3 13 3	5 12 6	12,58,354
North-West Frontier Province	7	215,615	129	26	103	11,04,779	6,24,930	17,29,709	5 2 0	7 12 1	19,24,091
British Baluchistan	1	34,146	88	5	83	73,668	6,88,991	7,62,659	2 2 7	21 6 3	6,21,280
Ajmer-Merwara	4	157,751	59	4	55	5,21,359	2,77,833	7,99,228	3 4 11	4 13 3	8,03,882
Coorg	5	13,590	60	18	42	28,020	25,584	53,604	2 1 9	3 13 9	50,201
Delhi	2	412,447	54	13	41	40,86,981	15,22,372	66,08,453	9 14 6	14 7 2	69,18,946
Bangalore	1	134,123	31	8	23	7,93,659	5,82,136	13,75,795	5 14 8	9 1 1	13,55,906
TOTAL, 1935-36	812	22,818,015	13,189	728	12,461	13,46,26,295	24,74,25,332	41,20,51,627	5 14 5	8 3 7	41,21,26,200
						(a)	(a)	(a)			(a)
TOTALS 1934-35	798	22,875,859	13,034	703	12,331	13,14,31,724	24,93,66,484	38,07,98,298	5 12 0	7 15 3	37,59,90,210
1933-34	794	22,794,372	13,089	737	12,352	12,88,36,972	23,81,75,241	36,70,12,213	5 10 5	7 11 7	36,18,22,123
1932-33	789	22,794,424	13,155	747	12,408	12,56,40,289	26,53,28,941	39,09,69,230	5 8 2	7 9 3	38,85,79,310
1931-32	785	22,432,939	13,019	779	12,240	12,43,79,536	23,84,27,284	36,28,06,820	5 8 8	7 10 9	36,72,67,108
1930-31	781	21,230,470	12,776	797	11,979	12,68,32,031	23,91,38,319	36,59,70,350	5 15 7	8 4 6	36,24,59,576
1929-30	777	19,113,474	12,781	817	11,964	12,64,87,177	25,13,03,813	37,77,90,990	6 9 11	9 5 9	37,70,26,301
1928-29	776	19,101,091	12,732	870	11,862	12,29,36,711	20,81,70,913	33,11,07,624	6 7 0	9 1 5	33,14,79,482
1927-28	774	19,086,615	12,677	891	11,786	11,96,38,507	24,25,00,743	36,21,39,250	6 4 3	8 14 7	36,60,59,468
1926-27	771	19,062,813	12,586	902	11,684	11,68,32,172	26,13,80,999	37,82,13,171	6 2 1	8 13 3	37,88,69,593
1925-26	767	18,959,324	12,468	932	11,536	11,43,10,052	30,32,74,461	41,75,84,513	6 0 6	8 8 9	41,29,51,014

(a) Revised

Income of Municipalities

Sources of Income	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
MUNICIPAL RATES AND TAXES										
Octroi	1,70,08,486	1,41,46,326	1,69,88,477	1,69,21,077	1,58,90,507	1,45,87,374	1,51,33,230	1,54,39,979	1,48,90,014	1,43,31,433
Tax on houses and lands	4,49,74,004	4,64,76,566	4,75,86,239	4,87,26,085	4,94,80,367	5,01,84 304	4,38,96,007	5,14,99,260	5,30,24,713	5,32,07,723
Tax on animals and vehicles	39,54,839	42,22,396	44,10,545	48,92,119	47,87,735	42,89,570	45,29,891	44,40,642	47,31,301	48,04,971
Tax on professions and trades	31,25,712	31,26,541	31,31,712	33,57,489	32,13,926	31,22,576	31,07,649	31,76,407	31,71,476	32,11,656
Tolls on roads and ferries	31,73,645	33,94,153	36,05,202	36,94,479	36,66,790	27,01,536	31,04,938	29,24,328	24,08,418	28,13,033
Water rate	1,89,79,100	1,86,67,877	1,88,90,710	1,97,66,653	1,97,97,690	1,96,14,390	2,03,15,042	2,02,78,485	2,07,07,765	2,18,92,078
Lighting rate	16,18,741	17,65,383	18,84,241	21,46,111	19,24,897	21,22,353	19,61,759	22,90,040	25,91,758	38,00,642
Conservancy rates	1,05,21,748	1,10,12,325	1,13,27,847	1,17,94,856	1,20,74,451	1,22,75,501	1,21,14,810	1,14,17,296	1,19,62,958	1,17,22,880
Other taxes	1,34,75,897	1,68,26,640	1,51,11,738	1,51,88,808	1,59,95,668	1,54,81,8[illegible]2	1,64,76,968	1,73,70,535	1,79,43,326	1,88,41,879
TOTAL	11,68,32,172	11,96,38,507	12,29,36,711	12,64,87,177	12,68,32,031	12,43,79,536	12,56,40 289	12,88,36,972	13,14,31,724	13,46,26,295
REALISATIONS UNDER SPECIAL ACTS										
From Pounds Hackney Carriages, Licences for Sale of Spirits and Drugs, etc	16,93,915	16,87,656	17,04,334	16,48,012	15,80,691	15,20,924	14,91,706	15,14,745	16,93,356	17,70,174
OTHER SOURCES OF REVENUE										
Rents of lands, houses, etc	45,05,468	45,12,086	47,26,553	46,46,100	49,35,527	49,15,788	51,45,459	51,17,143	52,33,155	50,57,703
Sale proceeds of lands and produce of lands, etc	20,64,883	17,98,429	19 36,905	19,87 943	15,28,706	15,34,066	13,26,457	12,36,804	12,58,199	26,66,564
Conservancy receipts (other than rates), etc	12,12,941	12,90,9[illegible]7	12 99,526	12,94,326	12,12,785	10,02,940	10,17 92	9,35,897	9,82,568	9,43,909
Carried over	77,83,292	76,01,442	79 63,284	79,28,369	76,77,018	74,52,794	74,89,842	72,89,344	75,03,922	86,68,176

Income of Municipalities—(*contd.*)

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Sources Income	1926-27	1927-28	1928 29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Brought forward	77,83,292	76,01,442	79,63,284	79,28,369	76,77,018	74,52,794	74,89,842	72,89,844	75,03,922	86,68,176
Receipts from markets and slaughter houses	88,95,260	92,83,424	96,68,986	96,62,050	94,60,106	92,16,946	91,96,490	92,98,825	94,11,061	96,94,283
Fees rom educational institutions	13,18,861	12,18,287	12,64,839	13,53,974	13,93,833	14,79,093	15,04,819	15,75,498	16,09,749	16,89 809
Other Fees, etc	91,21,584	66,67,147	76,92,717	81,39,922	72,15,775	73,53,734	84,18,837	87,47,979	85,65,497	90,03,625
Fines	8,99,304	11,50,861	11,23,536	14,04,083	13,16,395	7,55,589	11,23,159	10,79,059	11,49,361	14,97,881
Grants from Government	1,19,96,065	98,43,543	97,74,416	1,03,60,932	1,05,67,542	87,56,402	83,89,540	83,44,923	94,96,118	93,25,646
Grant from Local Funds	18,37,715	10,72,739	13,14,188	8,64,773	6,96,129	6,27,065	5,59,303	4,98,236	6,79,656	7,75,121
Other grants and contributions	4,08,962	7,13,360	13,05,500	13,92,443	7,20,548	6,93,884	3,62,245	4,33,609	5,79,994	4,10,761
Miscellaneous	75,47,473	1,11,75,423	88,67,021	96,06,194	82,96,644	98,58,390	85,93,868	84,32,081	97,36,903	1,07,20,931
TOTAL	4,98,08,516	4,87,26,226	4,89,74,487	5,07,17,745	4,73,49,050	4,61,93897	4,56,38,153	4,57,00,114	4,87,32,201	5,12,86,233
EXTRAORDINARY AND DEBT										
Sale proceeds of securities etc	5,21,21,139	4,96,01,289	3,97,30,524	5,30,25,261	5,03,93,839	5,69,86,528	6,78,51,402	4,35,01,341	5,04,29,439	5,47,25,596 (f)
Loans from Government	1,20,41,793	39,15,438	18,58,094	39,28,211	29,25,537	9,82,873	10,28,722	27,55,168	35,59,268	17,80,869
Loans raised from private individuals	59,88,832	64,22,238	(c) 95,36,295	(c) 2,05,95,377	(c) 1,98,25,107	(c) 68,20,965	(c) 1,34,18,491	68,39,797	71,53,406	1,58,75,688 (g)
Realisation of sinking fund	83,47,167	90,41,606	39,57,572	34,46,432	44,29,335	45,72,885	65,63,236	83,69,149	67,36,808	54,86,134
Advances	1,73,26,506	2,05,10,000	2,16,93,782	1,91,01,360	2,68,49,521	1,61,14,418	1,54,54,277	1,64,35,551	1,49,90,462	1,59,65,132
Deposits	11,25,90,771	9,75,96,290	8,07,15,824	8,68,63,640	8,23,38,401	10,19,64,955	11,11,79,875	11,13,05,793	11,10,87,768	12,62,78,686
TOTAL	20,98,78,568	19,20,86,861	15,74,92,092	(d) 19,89,38,056	(d) 19,02,08,578	(d) 19,07,07 463	(d) (e) 21,81,99,082	(d) (e) (f) 19,08,78,359	(d) (e) (f) 19,89,40,932	(a) (d) (e) 22,43,68,920
GRAND TOTAL ...	37,82,13,71	36,21,39,250	33 11,07,624	37,77,90,990	36,59,70,350	36,28,06,820	39,09,69,230 (f)	36,70,12,213 (i)	33,07,98,208	41,20,51,627

(b) Includes Rs 14 62,360 not shown in the details in the Bombay Presidency (c) Includes Rs 10 77 801 Rs 13 09,859, Rs 11,38 027 Rs 9 86 916 and Rs, 13,99 963 being the total receipts from loans in the Madras Presidency in 1928 29 1929 30, 1930 31 1931 32 and 1932 33 respectively (d) Includes Rs 1 19 76 775 Rs 34 46 788 Rs 42 64,839, Rs 26, 11,088 Rs 14,69 089 and Rs 45 57 962 not shown in the details in the Bombay Presidency in 1929 30 1930 31 1931 32 1932 33 1933 34 and 1934 35 respectively (e) Includes Rs, 81 756 and Rs, 10 235 in 1932 33 Rs 61,108 and Rs 9 77 in 1933 34 and Rs 1,35 826 and Rs 10 870 in 1934 35 in Central Provinces and British Baluchistan respectively (f) Includes Rs 8 459 as miscellaneous receipts of capital nature and Rs 1 23 527 as land sales premia in 1933 34 and Rs 37,989 as miscellaneous receipts of 'Capital nature Rs, 1 77,830 as land sales premia Rs 59 178 as premia on loan and Rs 4 076 as General Fund held in 1934 35 in Karachi (g) Includes Rs 82 023 not shown in the details in Burma (h) Includes Rs 52,130 net shown in details in Madras city, (i) Includes Rs 5 not shown in details in Burma

Expenditure of Municipalities

Heads of Expenditure	1925-26	1930-31	1931 32	1932-33	1933-34	1934-35	1935-36
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
General Administration and Collection Charges	1,48,66,683	1,65,94,612	1,65,98,265	1,67,95,113	1,71,98,548	1,77,49,102	1,82,71,488
Public Safety—							
Lighting	79,69,467	1,06,48,586	1,10,44,668	1,11,00,916	1,11,22,201	1,18,83,288	1,26,28,781
Police	83,079	75,483	72,205	77,503	73,740	72,552	79,920
Fire, etc	16,32,738	16,14,131	16,15,085	14,84,529	14,84,639	15,05,210	16,54,560
TOTAL	96,85,284	1,23,88,200	1,27 31,953	1,26,62,948	1,26,80 580	1,34,61,050	1,43,63,261
Public Health and Convenience—							
Water supply (including capital outlay)	2,79,99,439	2,42,56,242	1,70,52,167	1,53 18,723	1,51,56,548	1,59,70,504	1,58,23 063
Drainage (including capital outlay)	1,06,34,081	82,57,665	81,88,575	76 55,927	70,44,590	78,97,462	87,08,324
Conservancy	2,59,46,603	2,63,42,844	2,59,03,754	2 51 86,023	2,54,83,098	2,46,24,673	2,53,28,316
Hospitals and Dispensaries and Vaccination	88,01,393	92,06,397	88,77,911	91,50,023	88,24,887	94,32,769	96,83,413
Plague charges	3,53,313	3,19,97	3 05,895	3,10 654	4,72,377	4,64,658	4 87,380
Markets and slughter houses	44,93,260	30,85,743	27,95,634	25 24,196	26,44,365	25,02,564	25,34,443
Arboriculture, public gardens, etc	25,57,127	14,85,058	12 73 449	12,16,208	12,89,451	12,74,333	15,04,743
Sanitary	31,67,510	44,64,404	42,65,383	37,09,374	39,88,009	51,91,066	43,73,264
Public Works—							
Roads	1,52,40,8624	1,61,98,128	1,35,96,785	1 27,12,745	1,24,71,371	1 27 01,731	1,53,76,537
Buildings	20,97,946	25,41,559	23,69,546	21 73 241	24 85 172	26,64,445	33,95,083
Establishment	30,21,24	41,56,230	39,15,386	36,22,192	34,52,524	36,37,463	36,35,564
Stores	2,70,00	2 60,319	2,84,984	2 22,904	2,60,737	3,03,241	2,89,124
Miscellaneous	58,092	14,23,588	13,78,716	13 61,408	11,65,793	12,85 631	12,20 485
TOTAL	(c)10,46,52,751	10,19,98 155	9,02,03,185	8,52,53,618	8,47,38,917	8 79 50 540	9 23,79 759
Public Instruction	1,61,64,548	2,14 28 327	2,16,28,080	2,17,31 756	2,18,58,325	2,24,65,586	2,32,38,987
Contributions for general purposes	58,01,838	(e)62,18,043	(e)62,83,341	64,99,104	73,94,125	76,83,471	87,22,247
Miscellaneous—							
Interest on loans	1 48 93,225	1,78,58,670	1,81,28,606	1 79,33,578	1,74,85,468	1,70 10 063	1 63,76,738
Other Miscellaneous Expenditure	1 58,47,905	1,03,46,308	1,08,61,803	1,06,92,964	1 14,58,173	1,19,62 295	1 33,48 051
TOTAL	3,07,41,130	2,82,04 978	2,89,90,409	2,86,26 542	2,89,43 641	2,89 72,358	2,97,24,789
Extraordinary and Debt—							
Investments	5,83,08,019	5,18,60,269	5,45,06,809	6,90,36,464	4,45,80,624	5,26 25 735	5,75 40,438
Payments to sinking funds	68 84 065	56 06 429	59,11,144	63 37,860	80,44,788	75,90,172	74 26,129
Repayment of loans	1 19 86 175	1,05,71,983	92 55,856	1 46 80 015	1,40 75,231	1,17 82 190	1 59 38,558
Advances	2,82,04,607	2,24 23 496	1,85,96,801	1,74,46,142	1,75,67 829	1 55,,79,083	1 49 94 461
Deposits	12 53,75 133	8 14 83 039	9,86 60 356	10 87 12 538	10,42 70 391	10 96 36,180	12 95 60 624
TOTAL	(d)23 10 38 780	(f)17 5 77 261	(g)19 08,31,865	(a)21 70 10 229	(j)18 89,23,672	(l)19,77 07 751	(b)22,54,25,669
GRAND TOTAL	41 29 51,014	36 21 59 576	(h)36 72,67 108	38 85,79 810	(h)36 18 22,123	(h)37 59 90 210	41 21 26 200

(c) Includes Rs 11 880 in the Bombay Pr[illegible] In ludes Rs 71 380 in the Bombay Presidency [illegible] in British Baluchistan not shown in the details [illegible] being contribution for municipal purposes [illegible]
(f) Includes Rs [illegible] Bombay City respectively [illegible] Bombay Presidency Bombay City and Bengal respectively [illegible] details (e) Includes Rs [illegible] shown in the details (a) Includes R [illegible] Bombay Presidency Bombay City and Ajmer Merwara respectively [illegible]
(j) Includes R [illegible] and Rs 13 020 in Karachi Bombay City and British [illegible] respectively not shown in the details [illegible] & British Baluchistan [illegible] not shown in the details

Income and Expenditure of District and Local Boards.

Province	No of Boards	No of Members: Elected	No of Members: *Ex-officio* and Nominated	Income (excluding Balance): Provincial Rates	Income: Civil Works	Income: Other Sources	Income: Total	Incidence per Head: Rs	A	P	Expenditure: Education	Expenditure: Civil Works	Expenditure: Sanitation, Hospital, etc	Expenditure: Debt and Miscellaneous	Expenditure: Total
				Rs	Rs	Rs	Rs	Rs	A	P	Rs	Rs	Rs	Rs	Rs
Madras	478(*a*)	1,288	8	1,11,02,670	1,00,74,027	2,87,42,123	4,99,18,820	0	14	6	1,27,06,941	1,70,97,300	38,04,768	1,62,74,616	4,98,83,625
Bombay	245	3,327	1,001	53,79,978	19,94,142	1,61,17,128	2,34,91,248	1	2	2	1,22,82,186	39,90,568	13,69,969	53,49,863	2,29,92,586
Bengal	110	1,317	762	95,82,163	24,80,080	61,13,130	1,81,75,373	0	5	7	30,98,620	68,94,299	40,63,594	34,74,947	1,75,36,982
United Provinces	48	1,408	162	79,86,355	14,07,414	1,02,45,481	1,96,39,250	0	6	11	1,11,39,438	36,14,086	46,98,571	7,01,749	2,01,53,844
Punjab	29	857	336	68,12,724	12,63,837	1,24,52,904	2,05,29,465	0	15	7	1,11,70,71[illegible]	31,52,619	28,13,186	31,93,022	2,03,29,546
Bihar and Orissa	66	898	300	79,18,163	28,56,806	64,21,809	1,71,96,783	0	7	1	49,85,892	59,40,139	23,40,220	32,86,022	1,65,52,373
Central Provinces and Berar	108	1,415	494	27,81,950	3,07,332	43,33,532	74,22,814	0	7	0	29,99,600	7,26,343	4,02,207	30,11,913	71,30,153
Assam	19	372	128	12,82,264	7,85,466	15,46,188	36,13,918	0	7	2	14,02,487	10,53,137	5,77,989	4,55,344	34,88,957
North-West Frontier Province	5	102	82	2,89,927	1,51,635	12,39,124	16,80,686	0	11	2	9,64,146	2,59,363	1,18,546	4,47,639	17,89,694
Ajmer-Merwara	1	23	34	31,468	37,087	46,109	1,14,664	0	3	0	17,233	60,985	17,080	28,793	1,24,021
Coorg	1	13	6	62,692	47,725	43,712	1,54,129	0	15	0	77,424	30,099	34,236	15,513	1,57,272
Delhi	1	12	8	50,198	3,327	2,03,033	2,56,558	1	5	10	1,52,656	22,549	35,935	41,188	2,52,328
TOTAL 1935-36	1,111	11,032	3,321	5,32,80,557	2,14,08,878	8,75,04,273	16,21,93,708	0	9	9	6,09,97,342	4,28,46,417	2,02,75,913	3,62,70,609	16,03,90,281
TOTALS 1934-35	1,098	11,013	3,210	5,38,64,183	2,06,62,215	8,71,77,052	16,17,03,455	0	9	8	6,03,14,857	4,04,76,116	2,01,19,873	3,77,68,012	15,91,78,858
1933-34	1,317	14,573	3,198	5,15,29,803	2,06,80,134	8,70,80,711	15,92,90,648	0	7	1	6,03,10,211	3,84,46,336	1,92,43,854	3,88,14,218	15,68,14,619
1932-33	1,324	14,517	3,328	5,12,10,859	1,93,78,494	4,45,17,490	15,51,06,843	0	9	5	5,91,16,762	3,69,09,634	1,92,53,662	3,58,40,267	15,11,20,325
1931-32	1,247	15,835	5,411	4,82,87,238	2,04,99,588	8,64,60,823	15,52,47,649	0	9	7	6,24,53,156	395,35,955	1,99,99,937	3,60,94,379	15,80,83,427
1930-31	1,246	16,083	5,444	4,96,62,331	2,52,17,397	9,08,25,214	16,57,04,942	0	10	5	6,27,15,907	4,62,78,136	2,03,99,790	3,94,47,902	16,88,41,735
1929-30	1,246	15,820	5,535	4,94,17,948	2,66,59,227	8,75,81,278	16,36,58,453	0	10	8	6,05,09,374	4,47,05,661	2,02,36,755	3,77,81,751	16,32,33,541
1928-29	1,247	15,833	5,411	4,91,49,389	2,56,62,040	8,50,10,226	15,98 21,655	0	10	9	5,90,84,540	4,85,32,066	1,99,56,632	3,63,56,623	16,39,29,861
1927-28	1,256	15,744	5,682	4,83,71,217	2,57,77,762	8,14,52,575	15,56,01,554	0	10	6	5,71,89,395	5,03,84,964	1,94,07,439	3,26,09,966	15,95,91,764
1926-27	1,265	15,889	5,543	4,90,36,034	2,52,45,680	7,66,34,600	15,09,16,314	0	10	2	5,30,11,615	4,94,94,115	1,80,88,100	3,07,21,037	15,13,14,867
1925-26	1,269	15,380	5,587	4,70,83,191	2,29,58,754	7,05,00,078	14,05,42,023	0	9	6	5,04,58,308	4,33,19,362	1,71,57,407	2,56,39,445	13,65,74,522

(*a*) Includes 448 Union Panchayats with 5,619 elected members

Port Trusts: Constitution, Income, Expenditure and Debt.

Ports	Number of Members	Nominated	Elected	Official	Non-official	Europeans	Indians	Income	Expenditure	Capital Debt
	Classification of Members									
								Rs.	Rs.	Rs
Calcutta	19	7	12	7	12	14	5	3,10,34,124	3,10,99,830	28,52,64,193
Bombay	22	9	13	8	14	14	8	2,67,96,918	2,53,22,420	19,09,97,583
Madras	15	5	10	3	12	10	4	30,40,918	31,66,500	1,48,58,793
Karachi	15	6	9	6	9	8	7	74,30,107	66,15,314	4,09,09,000
Rangoon	17	7	10	5	12	12	5	72,28,187	69,75,690	4,51,28,667
Chittagong	12	5	7	6	6	7	5	6,81,605	6,49,762	29,67,916 (*a*)
TOTAL, 1936-37	100	39	61	35	65	65	35	7,62,31,859	7,38,29,516	58,01,36,382
TOTALS 1935-36	99	39	60	33	66	67	32	7,46,98,558	7,55,42,004	55,08,35,428
TOTALS 1934-35	99	39	60	32	67	66	33	7,63,81,069	7,59,89,521	56,13,35,303
TOTALS 1933-34	100	39	61	32	68	66	34	7,28,59,599	7,37,13,717	56,71,56,774
TOTALS 1932-33	100	38	62	34	66	66	34	6,63,70,061	6,91,78,725	58,34,76,207
TOTALS 1931-32	100	38	62	34	66	65	35	7,16,82,039	7,93,87,220	58,23,93,137
TOTALS 1930-31	100	38	62	34	66	66	34	7,56,01,830	8,17,51,073	58,52,41,886
TOTALS 1929-30	99	38	61	34	65	66	33	8,52,18,017	8,71,32,763	59,03,42,187
TOTALS 1928-29	98	37	61	34	64	66	32	8,66,19,070	8,51,90,382	55,02,54,618
TOTALS 1927-28	95	38	57	33	62	65	30	8,50,56,056	8,07,12,046	53,94,23,245
TOTALS 1926-27	90	38	52	32	58	65	25	7,86,17,087	7,58,08,171	54,08,66,523

(*a*) Includes the first instalment of Rs 15 lakhs, the second instalment of Rs 5 lakhs, the third instalment of Rs 2 lakhs, the fourth instalment of Rs. 3 lakhs and the fifth instalment of Rs. 3 lakhs of a loan of Rs 50 lakhs from Govt.

Total Expenditure on Education in the different Provinces.

1936-37

	Madras	Bombay	Sind	Bengal	United Provinces	Punjab	Burma	Bihar	Orissa	Central Provinces and Berar
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Under Public Management										
Managed by Government	61,04,635	34,96,798	3,11,941	64,27,651	52,93,506	59,52,381	18,45,695	28,37,544	9,19,670	25,17,541
Managed by Board or Municipal Funds	1,70,20,545	1,63,40,812	26,54,166	23,61,340	1,09,17,885	1,22,46,056	6,20,851	24,27,272	7,27,399	45,53,856
Under Private Management										
Aided by Government or by Board or by Municipal Funds	1,91,12,288	1,02,34,918	22,01,,014	1,98,67,552	1,00,43,079	68,69,902	93,24,705	61,06,062	15,87,192	15,92,993
Unaided	3,89,676	15,19,381	2,12,166	67,78,195	5,69,513	11,70,854		10,18,593	96,441	3,16,483
University Board of secondary and Intermediate Education, Direction, Inspection, and Miscellaneous	1,20,87,746	59,60,200	7,87,778	1,00,73,192	1,35,33,286	57,19,019	47,60,256	44,07,354	7,32,347	21,93,533
TOTAL EXPENDITURE	5,46,64,890	3,76,01,839	61,67,065	4,55,08,439	4,03,57,269	3,19,58,212	1,65,51,510	1,67,96,825	40,63,049	1,11,74,406

	Assam	N.-W. Frontier Province	Baluchistan	Ajmer-Merwara	Coorg	Delhi	Bangalore	Administered Areas in Indian States
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Under Public Management								
Managed by Government	14,97,436	3,47,813	2,33,491	3,34,633	1,19,147	1,13,233	9,515	1,00,288
Mcnaged by Board or Municipal Funds	14,31,792	10,57,850	17,019	48,640	76,914	6,12,085	83,595	2,55,812
Under Private Management								
Aided by Government or by Board or by Municipal Funds	9,63,621	10,04,787	35,092	4,26,419	19,786	14,59,023	6,05,981	6,44,473
Unaided	3,72,155	6,046		22,522		55,560	3,721	1,10,700
University, Board of Secondary and Intermediate Education, Direction, Inspetion, and Miscellaneous	14,68,130	7,59,603	1,63,395	89,929	60,613	6,01,915	2,91,781	2,16,365
TOTAL EXPENDITURE	1,11,74,406	31,76,099	4,48,997	9,22,143	2,76,460	28,41,806	9,94,593	13,27,638

Distribution of Expenditure on Education

INDIRECT EXPENDITURE

Province	University	Board of Secondary and Intermediate Education	Direction and Inspection	Buildings, Furniture and Apparatus	Miscellaneous	TOTAL	GRAND TOTAL Direct and Indirect
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Madras	15,13,128		18,69,872	41,27,296	45,77,450	1,20,87,746	5,46,64,890
Bombay	12,78,156		12,73,377	12,52,188	21,56,479	59,60,200	3,76,01,839
Sind			3,85,530	1, 3,166	2,69,082	7,87,778	61,67,065
Bengal	29,77,223	84,866	15,57,447	19,41,123	35,63,031	1,00,73,192	4,55,08,439
United Provinces	51,47,712	2,83,732	16,84,114	22,83,418	41,34,290	1,35,33,286	4,03,57,269
Punjab	11,75,083		14,56,838	11,84,162	19,02,936	57,19,019	3,19 58,212
Burma	16,70,520	567	9,71,262	1,50,776	19,67,129	47,60,256	1,65,51,510
Bihar	2,70,020	6,378	8,71,911	22,77,982	9,81,063	44,07,354	1,67,96,825
Orissa	2,000		2,93,624	2 30,085	2,06,638	7,32 347	40,63,049
Central Provinces and Berar	1,47,212	81,101	5,28,845	6,15,335	8,21,040	21,93,533	1,11,74,409
Assam			4,42,870	3 64,760	6,61,000	14,68,130	57,38,134
North-West Frontier Province			2,11,604	2,64,079	2,83,920	7,59,603	31,76,099
British-Baluchistan			28,891	69,503	65,001	1,63,395	4,48,997
Ajmer-Marwara			30,260	22,012	37,657	89,929	9,22 143
Coorg			20,705	10,935	28,973	60,613	2,76,460
Delhi	2,02,453	29,739	42,741	1,21,558	2,05,424	6,01,915	25,41,506
Bangalore			25,184	98,858	1,67,709	2,91,781	9,94,593
Administered Areas in Indian States			17,310	1,36,866	62,159	2,16,365	13,27,638
TOTAL, 1936-37	1,43,83,507	4,35,905	1,17,11,885	1,52 84,134	2,20,91,011	6,39,06,442	28,05,69,374
TOTALS 1935 36	1,41,16,990	4 11,298	1,16,09,445	1,34,99,261	2,20,89,332	6,17,26,326	27,32, 9,689
TOTALS 1934-35	1,38,26 525	3,76,632	1,11,67,064	1,30,50 845	2,17,28,954	6,01,50,020	26,52,11,420
TOTALS 1933-34	1,31,30,857	3,53,989	1,11,95,727	1,17 03,922	2,19 74,684	5,53,59,179	26,17,65 186
TOTALS 1932-33	1 32,85,106	3,35 994	1,07,77,450	1,28,62 142	2,20 51,921	5,93,12,613	25 78 75,868
TOTALS 1931-32	1,32,67,788	3,23,857	1,14,07,101	1,81 96,679	2,27,66,001	6,59,01,426	27 18 56,[illegible]22
TOTALS 1930-31	1,35,63,245	3,29 469	1,18,92,014	2,43,96,050	2 42 [illegible]5,836	7,44,76,614	28,41 61 446
TOTALS 1929-30	1,19,52,653	3 48 425	1,15,56,952	2,40 62,193	2,31 79,885	7,11,00,108	27,42,82,018
TOTALS 1928-29	1,43,29,539	3 17,351	1,11,55,007	2,70,46,603	2,25,10,918	7,53,59,418	27 07,32,253
TOTALS 1927-28	1,11,58,956	2,93,413	1,11,11,340	2,96,59,825	2,15,24,754	7 37,78,288	25,82,78 819
TOTALS 1926-27	1,00,53,859	(a)	1,03 02,057	2,77,25,177	2,25,37 151	7,06,18,244	24,58,47,572

(a) Figures not available

Distribution of Expenditure on Education

DIRECT EXPENDITURE

Province	Arts and Professional Colleges	Secondary Schools		Primary Schools		Normal and Training Schools	All other Special Schools	Total
		Boys	Girls	Boys	Girls			
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Madras	45,04,842	89,52,754	18,11,208	1,93,80,058	41,95,946	18 07,575	19,24,761	4,25,77,144
Bombay	35,96,149	64,92,972	18,01,165	1,42,87,893	34,48,609	5,06,797	15,08,054	3,16,41,639
Sind	4,26,312	13,50,313	2,93,973	24,88,830	6,35,066	62,759	1,21,984	53,79,287
Bengal	56,42,438	1,47,98,909	20,18,421	67,47,625	16,21,565	5,63,675	40,42,614	3,54,35,247
United Provinces	44,39,307	87,02,226	22,01,050	88,01,493	7,21,047	5,48,072	14,10,788	2,68,23,983
Punjab	41,29,290	1,35,84,915	18,02,783	40,88,593	11,43,118	1,50,325	13,40,169	2,62,39,193
Burma	63,611	74,41,766	13,78,771	21,16,248	3,23,716	1,24,475	3,42,667	1,17,91,254
Bihar	16,06,661	41,52,345	3,87,517	44,61,526	4,43,355	2,71,298	10,66,769	1,23,89,471
Orissa	3,35,488	9,20,453	1,02,697	14,89,020	1,31,105	1,14,814	2,39,125	33,30,702
Central Provinces and Berar	8,72,251	33,92,923	2,97,917	32,97,488	5,71,340	2,85,808	2,63,146	89,80,873
Assam	4,98,055	17,67,456	3,23,528	13,20,453	1,41,559	65,058	1,53,895	42,70,004
North-West Frontier Province	3,19,612	12,99,097	1,78,690	4,19,912	1,47,424	51,761		24,16,496
British Baluchistan		1,53,102	3,647	1,13,777	15,076			2,85,602
Ajmer-Merwara	91,862	3,69,180	93,971	1,63,385	76,493	23,379	13,914	8,32,214
Coorg		60,106	15,452	1,13,079	17,342	7,398	2,470	2,15,847
Delhi	6,69,341	7,53,469	2,63,170	2,92,452	1,95,587	21,776	41,096	22,39,891
Bangalore	53,542	2,86,232	1,73,939	94,140	69,520	20,166	5,273	7,02,812
Administered Areas in Indian States	1,64,228	3,77,931	1,42,815	1,24,029	82,120	33,322	1,86,738	11,11,273
Total, 1936-37	2,74,10,989	7,48,56,219	1,32,90,734	6,98,00,051	1,39,79,988	46,61,458	1,26,63,493	21,66,62,932
Totals 1935-36	2,74,10,989	7,48,56,219	1,32,90,734	6,98,00,051	1,39,79,988	46,61,458	1,26,63,492	21,66,62,932
Totals 1934-35	2,54,56,409	7,06,36,633	1,22,66,995	6,69,58,408	1,36,10,049	44,80,762	1,16,52,144	20,50,61,400
Totals 1933-34	2,52,35,536	6,94,75,273	1,19,23,391	6,68,57,965	1,31,86,725	45,94,982	1,21,32,135	20,34,06,007
Totals 1932-33	2,43,92,877	6,77,94,688	1,12,08,846	6,55,99,323	1,28,06,259	49,23,446	1,18,31,816	19,85,63,255
Totals 1931-32	2,47,99,674	6,97,73,540	1,15,26,519	6,80,98,169	1,31,62,121	55,94,808	1,30,00,365	20,59,55,196
Totals 1930-31	2,53,20,758	7,02,68,913	1,12,44,413	6,82,07,867	1,32,34,050	67,29,235	1,36,79,596	20,86,84,832
Totals 1929-30	2,47,98,438	6,80,88,681	1,05,46,704	6,96,74,147	1,21,93,271	65,93,582	1,39,87,087	20,31,81,910
Totals 1928-29	2,42,20,051	6,49,57,167	97,41,744	6,50,79,192	1,14,88,249	64,88,418	1,33,98,014	19,53,72,835
Totals 1927-28	2,30,13,307	6,12,51,847	91,57,771	6,23,70,207	1,05,01,380	59,53,028	1,22,52,991	18,45,00,531
Totals 1926-27	2,22,20,710	5,74,54,320	87,40,070	5,92,20,326	1,03,01,370	56,31,295	1,16,61,237	17,52,29,328

Expenditure on Education in each Province

Province	From Government Funds	From Board Funds	From Municipal Funds	From Fees	From Other Sources	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Madras	2,49,55,375	59,72,307	24,06,746	99,10,521	1,14,19,941	5,46,64,890
Bombay	1,55,51,740	16,58,209	53,70,187	95,93,470	54,28,233	3,76,01,839
Sind	27,02,668	5,18,953	7,44,416	13,21,682	8,79,346	61,67,065
Bengal	1,41,12,417	19,06,575	18,18,761	2,04,17,515	72,53,171	4,55,08,439
United Provinces	2,12,18,989	33,51,644	18,38,070	82,92,724	56,55,842	4,03,57,269
Punjab	1,63,44,455	28,92,777	16,84,068	79,43,025	30,93,887	3,19,58,212
Burma	55,51,652	35,58,482	14,98,852	34,82,489	24,60,035	1,65,51,510
Bihar	56,13,466	44,41 709	4,80,696	39,76,733	22,84,201	1,67,96,825
Orissa	18,94,088	9,69,094	56,239	6,76,772	4,66,856	40,63,049
Central Provinces and Berar	48,16,628	21,04,629	11,45,229	21,28,416	9,79,504	1,11,74,406
Assam	31,26,157	6,45,241	1,14,749	11,51,670	7,00,317	57,38,134
North-West Frontier Province	20,95,742	1,21,744	2,24,149	3,81,541	3,52,923	31,76,099
British Baluchistan	3,07,569	83,879		35,701	21,848	4,48,997
Ajmer-Merwara	4,26,846	22,686	62,888	2,08,691	2,01,032	9,22,143
Coorg	1,70,846	49,247	6,663	44,033	6,031	2,76,460
Delhi	11,28,120	29,571	3,79,631	8,12,837	4,91 649	28,41,806
Bangalore	3,43,686		54,781	3,29,373	2,66,753	9,94,593
Administered Areas in Indian States	4,40,410		71,416	3,48,480	4,67,332	13,27,638
TOTAL, 1936 37	12,08,00,494	2,83,26,747	1,79,57,541	7,10,55,693	4,24,28,899	28,05,69 874
TOTALS 1935-36	11,84,38,873	2,66,62,663	1,71,97,489	6,89,05,189	4,20,35,475	27,32,29,689
TOTALS 1934-35	11,58,73,080	2,51,15,706	1,64,76,292	6,63,72,985	4,18,73,357	26,52,11,420
TOTALS 1933-34	11,47,02,150	2,58,94,257	1,60,40,054	6,47,89,282	4,03,89,443	26,17,65,186
TOTALS 1932-33	11,35,50,798	2,54,68,300	1,52,37,661	6,29,60,172	4,06,58,987	25,78,75,868
TOTALS 1931-32	12,46,00,481	2,80,01,318	1,58,17,222	6,22,69,534	4,11,68,072	27,18,56,622
TOTALS 1930-31	13,60,97,116	2,84,17,444	1,54,11,688	6,14,58,989	4,17,76,209	28,31,61,446
TOTALS 1929-30	13,25,38,044	2,75,09,215	1,49,56,385	6,04,61,368	3,88,17,006	27,42,82,018
TOTALS 1928-29	13,18,10,145	2,59,25,399	1,34,88,970	5,78,17,829	4,16,89,910	27,07,32,253
TOTALS 1927-28	12,66,92,478	2,52,70,958	1,26,17,479	5,44,71,683	3,92,26,271	25,82,78,819
TOTALS 1926-27	11,93,32,854	2,42,69,785	1,23,21,329	5,21,27,191	3,77,96,418	24,58,47,572

Classification of Expenditure on Rural Education by Provinces and by Sources

Province	From Government Funds	From District Board Funds	From Other Sources	Total
	Rs	Rs	Rs	Rs
Madras	1,30,61,417	67,57,645	73,63,414	2,71,82,476
Bombay	72,90,365	14,28,352	13,84,474	1,01,03,191
Sind	10,56,934	4,06,953	2,26,725	16,90,612
Bengal	41,60,675	16,47,558	1,14,82,573	1,72,90,806
United Provinces	65,30,528	27,84,069	8,45,033	1,01,59,630
Punjab	78,02,038	22,87,384	15,71,953	1,16,61,375
Burma	4,04,200	32,24,075	2,88,501	42,16,776
Bihar	6,51,764	43,77,972	28,43,992	78,73,728
Orissa	8,26,228	9,24,567	5,84,687	23,35,482
Central Provinces and Berar	16,61,840	21,08,204	2,89,025	40,59,069
Assam	11,56,030	6,03,049	6,87,704	24,46,783
North-West Frontier Province	12,23,595	1,08,813	2,03,547	15,35,955
British Beluchistan	90,550			90,550
Ajmer-Merwara	1,21,785	20,363	26,119	1,68,269
Coorg	29,440	44,490	3,020	76,950
Delhi	1,42,014	29,571	37,011	2,08,596
Bangalore	8,862			8,862
Administered Areas in Indian States			32,448	32,448
TOTAL, 1936-37	4,62,13,265	2,70,53,067	2,78,70,226	10,11,41,558
TOTALS 1935 36	4,61 04,531	2,46,87,939	2,69,49,313	9,77,41,783
TOTALS 1934-35	4,64,31,043	2,22,60,029	2,62,73,620	9,49,64,692
TOTALS 1933-34	4,50,40,565	2,22,28,572	2,56,25,614	9,28,94,751
TOTALS 1932-33	4,49,25,517	2,29,85,614	2,64,08,159	9,43,19,290
TOTALS 1931-32	4,74,84,364	2,45,06,380	2,63,25,534	9,83,16,278
TOTALS 1930-31	5,12,36,568	2,58,04,702	2,72,71,709	10,43,02,979
TOTALS 1929-30				
TOTALS 1928-29				
TOTALS 1927-28				
TOTALS 1926-27				

Number of Printing Presses at Work and Number of Newspapers, Periodicals, and Books Published.

Province	Printing Presses	Newspapers	Periodicals	Books: In English or other European Languages	Books: In Indian Languages (Vernacular and Classical) or in more than one Language
Madras	(*a*)2,458	(*a*)348	964	449	2,210
Bombay (*d*)	1,108	357	168	441	2,999
Sind (*d*)	238	156	45	76	587
Bengal	1,570	154	665	908	2,577
United Provinces	1,011	377	371	283	8,167
Punjab	589	394	435	236	1,828
Burma	381	41	152	14	212
Bihar	208	35	85	88	322
Orissa ..	74	24	70	12	514
Central Provinces and Berar	232(*b*)	(*c*)95	55	16	130
Assam	86	86	39	–	16
North-West Frontier Province	46	(*e*)53	—	11	9
Ajmer-Merwara (*d*)	45	10	18	19	104
Coorg (*d*)	7	3	1	—	1
Delhi	200	90	130	22	220
TOTAL, 1935 36	8,253	2,164	3,198	2,570	14,841
TOTALS 1935-36	7,708	2,225	3,042	2,731	14,272
TOTALS 1934 35	7,557	2,123	3,363	2 790	13,945
TOTALS 1933-34	6,937	1,748	3,208	2,623	14,140
TOTALS 1932-33	6,756	1,659	2,847	2,709	13,580
TOTALS 1931-32	6,646	1,743	2,893	2,441	13,182
TOTALS 1930-31	6,520	1,708	2,760	2,353	14,074
TOTALS 1929-30	6,385	1,693	3,057	2,335	13,985
TOTALS 1928-29	6,102	1,695	2,960	2,356	14,427
TOTALS 1927-28	5,919	1,525	2,934	2,332	14,815
TOTALS 1926-27	5,724	1,485	3,627	2,147	15,246

(*a*) Relates to the calendar year 1937

(*b*) Includes 6 Presses which are reported either closed or not working

(*c*) Includes 51 periodicals which are treated as newspapers as they contain public news or comments on public news

(*d*) Figures relate to the calendar year 1936

(*e*) Includes Periodicals.

Joint-Stock Companies Registered in each Province and at work at the end of each year from 1926-27

Class of Companies		Madras	Bombay	Sind	Bengal	United Provinces	Punjab	Burma	Bihar	Orissa
Banking and Loan		451	86	33	1,173	53	79	22	12	4
Insurance		75	114	43	330	31	130	8	8	
Navigation		3	10		28			8		
Railways and Tramways		2	13	3	25		2			
Other Transit and Transport		65	57	3	138	7	15	10	10	2
Trading and Manufacturing Companies		489	635	48	1,926	221	564	140	54	9
Tea		17	2		401	2			1	
Other Planting Companies		26	3		52	1		14	1	
Coal Mining			11		227		4		11	
Gold Mining		1			1			2		
Other Mining and Quarrying Companies		5	14		45		3	27	8	
Cotton Mills		55	176	1	76	11			3	
Jute Mills		1			77	2			1	1
Mills for Wool, Silk, Hemp, etc		1	10		5	6	2	1		
Cotton Ginning, Pressing, Baling, etc		31	61	2	5	4	18			
Jute Presses, etc		3			31	1				
Flour Mills		2	4	4	8	4	4		1	
Estate, Land and Building		10	31	3	125	3	3	22	3	
Sugar (*including* Jaggery)		10	16	1	86	49	14	3	11	2
Other Companies		140	88	13	323	68	80	21	9	
TOTAL, 1936-37		1,387	1 331	154	5,080 (a)	463	918	278	133	18
TOTALS	1935-36	1,262	1,419		(a) 4,916	406	786	243	137	
	1934 35	1,153	1,310		(a) 4,829	369	658	215	126	
	1933 34	1,030	1,182		(a) 4,680	311	552	194	110	
	1932-33	917	1,096		3,966	268	459	288	100	
	1931-32	839	1,051		3,835	236	343	284	96	
	1930-31	800	959		3,652	224	285	288	97	
	1929 30	746	913		3,432	224	252	304	94	
	1928-29	684	857		3,133	206	212	295	88	
	1927-28	658	807		2,868	200	187	286	84	
	1926-27	662	812		2,651	215	173	283	82	

(a) Includes 601,513,685 and 653 companies which were in liquidation in 1933-34, 1934-35 1935-36 and 1936-37 respectively, but were not finally dissolved

Joint-Stock Companies Registered in each Province and at work at the end of each year from 1926-27

Class of Companies	Central Provinces	Assam	North West Frontier Province	Ajmer-Merwara	Coorg	Baluchistan	Delhi	Bangalore (Civil and Military Station)	TOTAL
Banking and Loan	6	67	8	1			7	6	2,008
Insurance	11	6	1	4			25		786
Navigation								...	49
Railways and Tramways								.	15
Other Transit and Transport		7		1	1	1	26		842
Trading and Manufacturing Companies	87	56	10	14	1		121	7	4,888
Tea		49							472
Other Planting Companies		1			8				101
Coal Mining	6					..	8		262
Gold Mining									4
Other Mining and Quarrying Companies		1							101
Cotton Mills	2	1		8			8		881
Jute Mills									82
Mills for Wool, Silk, Hemp, etc							1		26
Cotton Ginning, Pressing, Baling etc.	5			5					181
Jute Presses, etc									85
Flour Mills	1						2		80
Estate, Land and Building	4	2	1				2		209
Sugar (*including* Jaggery)		8	1				8		199
Other Companies	11	10	2	2		1	81	18	798
TOTAL, 1936-37	88	203	18	30	5	1	202	11	10,889(a)
TOTALS 1935-36		78	192	20	7	1	202	11	9,710(a)
1934-35		181	18	29	7	8	177	8	(a)9,148
1933-34		184	12	28	5	8	188	8	(a)8,540
1932-33		179	11	19	5	8	164	8	7,540
1931-32		171	6	22	5	2	131	10	7,092
1930-31		166	6	22	5	1	108	8	6,675
1929-30		168	5	22	4	2	86	8	6,318
1928 29		151	5	22	4	2	77	7	5,795
1927-28		138	8	22	5	2	71	7	5,338
1926-27		116	8	22	5	2	70	10	5,156

(a) Includes 601,513,685 and 658 companies which were in liquidation in 1933-34, 1934-35 and 1935-36, respectively, but were not finally dissolved

Joint-Stock Companies Registered in each Indian State and at work at the end of each year from 1926-27.

Class of Companies	Mysore	Baroda	Gwalior	Indore	Travan-core	Hydera-bad	Cochin*	TOTAL
Banking and Loan	55	2	2	2	245	12	152	471
Insurance	6	4	3	1	26	1	3	43
Navigation							1	1
Railways and Tramways	1							1
Other Transit and Transport	5		1		7	2		15
Trading and Manufacturing Companies	57	21	18	7	66	13	29	211
Tea					13		1	14
Other Planting Companies	3				25		3	13
Coal Mining						1		1
Gold Mining								
Other Mining and Quarrying Companies	8					1		9
Cotton Mills	4	18	5	8	1	3	2	41
Jute Mills								
Mills for Wool, Silk, Hemp, etc,	2					1		3
Cotton Ginning, Pressing, Baling, etc		3						3
Jute Presses, etc								
Flour Mills			1					1
Estate, Land and Building	4		1			1		6
Sugar (*including* Jaggery)	2				1			3
Other Companies	13	3	3		6	3	8	36
TOTAL, 1936-37	160	51	34	18	330	38	199	890
TOTALS 1935-36	135	51	42	15	425	38	211	917
1934-35	129	48	39	15	425	37		693
1933-34	126	44	34	14	641	35		894
1932-33	120	43	34	14	924	40		1,175
1931-32	118	44	36	13	653	41		905
1930-31	121	42	36	11	403	40		653
1929-30	118	37	34	11	372	34		606
1928-29	129	40	33	10	308	15		535
1927-28	126	41	29	11	221	14		442
1926-27	123	42	30	11	152	12		370

* Statistics relating to Joint-Stock Companies in Cochin are being collected only from 1935-36 Previous years' figures are not available

Joint Stock Companies Registered in Indian States, and at work at the end of each year from 1927-28

Class, Number and Paid-up Capital—*contd.*

Class of Companies	1927-28 No.	1927-28 Paid-up Capital	1928 29 No	1928 29 Paid-up Capital	1929-30 No	1929-30 Paid up Capital	1930 31 No.	1930 31 Paid-up Capital	1931-32 No	1931-32 Paid-up Capital
		Rs		Rs		Rs		Rs		Rs
Banking and Loan	173	2,98,42,560	249	3,13,81 555	313	3,53 83,775	331	3,62,62 205	331	3,64 64,299
Insurance	8	4,14,544	11	3,91,507	11	3,9[illegible]832	25	4,03 785	275	2,90,902
Naivigation	1	300								
Railways and Tramways	1	6,95,766	1	6,95,793	1	6 95 766	1	6 95 766	1	6 95,766
Other Transit and Transport	10	6,43,687	11	2,26,250	12	5,97,936	15	2,62,637	17	4,49,240
Trading and Manufacturing Companies	137	1,34,80,327	148	1,25 30 764	159	1 43,72 821	166	1,43,78,092	162	1 45 89,795
Tea	6	15 94,356	9	21 57,300	11	41 36 195	11	42 80,370	11	42,92,111
Other Planting Companies	37	40,65 771	38	41,27,056	26	38 97 703	26	40,12,542	26	40,31,925
Coal Mining	1	54,11,520	1	63 15 950	1	63 21 450	1	63,21,450	1	63,21,450
Gold Mining										
Other Mining and Quarrying Companies	8	12,91,155	8	12 91 155	9	12,92 495	9	12,87,855	9	13,26,135
Cotton Mills	26	3,68 39,169	26	4,03 17,772	28	4,16 56 372	30	4 27 74,841	31	4,25,98,667
Jute Mills										
Mills for Wool, Silk, Hemp, etc.	2	2,33,691	2	8 30,528	2	8,35 833	2	8,64,308	2	8,64,308
Cotton Ginning, Pressing Baling, etc	6	7,94,086	5	6 63,086	5	6 63 086	5	12,09,635	5	12 09 635
Jute Presses, etc										
Flour Mills	2	4 000	2	4,000	1		1		2	19,57,275
Estate, Land and Building	2	93,700	2	93,700	2	93 700	2	1,14 500	2	1,56,200
Sugar (*including* Jaggery)	2	4 10 480	2	4 12 255	2	4,12 255	2	4 11,755	2	4 11,755
Other Companies	20	13 99,605	20	4 53,730	23	6 79,987	26	6 84,399	28	11,66,581
TOTAL .	443	9 72,15,226	535	10,19 22 402	606	11,14,36,206	653	11,39 64,140	905	11,68 26,044

Joint Stock Companies Registered in Indian States, and at work at the end of each year from 1926-27

Class, Number and Paid-up Capital.

Class of Companies	1932-33 No	1932-33 Paid-up Capital	1933-34 No	1933-34 Paid-up Capital	1934-35 No	1934-35 Paid-up Capital	1935-36 No	1935-36 Paid-up Capital	1936-37 No	1936-37 Paid-up Capital
		Rs		Rs		Rs		Rs		Rs
Banking and Loan	339	2,07,93,488	332	2,38,93,935	320	3,77,88,827	481	3,94,05,472	471	4,00,85,225
Insurance	524	3,35,560	253	3,61,544	62	4,09,966	67	4,09,907	43	4,74,358
Navigation							1	1,32,456	1	1,32,456
Railways and Tramways	1	6,95,766	1	6,95,766	1	6,95,793	1	6,65,795	1	6,95,765
Other Transit and Transport	17	7,93,167	17	9,04,186	16	8,32,770	17	8,32,770	15	7,19,267
Trading and Manufacturing Companies	171	1,36,95,362	176	1,37,81,117	172	1,42,19,400	209	1,53,68,714	211	1,74,74,408
Tea	12	50,54,876	11	42,35,130	12	50,57,300	12	50,54,967	14	37,88,785
Other Planting Companies	26	49,49,763	24	39,29,527	29	41,52,053	32	44,72,200	31	45,83,763
Coal Mining	1	63,21,450	1	63,21,450	1	63,21,450	1	63,21,450	1	63,21,450
Gold Mining										
Other Mining and Quarrying Companies	9	13,90,335	9	13,37,772	9	13,88,207	9	13,88,196	9	15,57,886
Cotton Mills	31	4,27,89,107	31	4,53,21,707	35	4,80,16,182	39	5,14,15,031	41	5,28,73,416
Jute Mills										
Mills for Wool, Silk, Hemp, etc	1	8,64,308	1	3,64,308	2	3,76,917	2	4,10,074	3	4,32,837
Cotton Ginning, Pressing Baling, etc	5	13,32,643	5	24,10,719	5	26,27,880	5	10,29,006	3	10,29,006
Jute Presses, etc										
Flour Mills	2	19,67,275	2	19,67,000	2	1,01,050	2	1,01,050	1	1,01,050
Estate, Land and Building	2	1,56,100	2	1,56,100	4	1,76,700	7	3,13,236	6	3,04,314
Sugar (*including* Jaggery)	3	3,85,287	3	24,10,652	3	24,10,610	3	24,10,610	3	24,12,020
Other Companies	30	1,83,12,929	26	1,74,69,107	20	19,35,010	31	20,34,858	36	22,29,702
TOTAL	1,175	11,94,37,616	894	12,55,60,396	693	12,65,07,782	917	13,17,95,762	890	13,52,20,708

Agricultural Area and Yield of British India—Summary

		1927-28	1928-29	1929 30	1930 31
		Acres	Acres	Acres	Acres
Net area by professional survey		670,037,610	670,046,955	669,915,432	669,334,769
Area under forest*		86,985,199	87,223,719	87,276,573	87,962,385
Not available for cultivation		149,643,160	149,034,031	146,872,810	146,810,510
Culturable waste other than fallow		155,477,185	154,679,691	155,491,449	154,016,726
Fallow land		51,028,144	48,432,503	49,713,921	49,617,618
Net area sown with crops		223,862,226	228,166,327	228,160,853	229,115,236
Area irrigated		43,321,316	49,761,694	51,010,126	49,697,216
Area under Food-grains—					
Rice		76,606,868	81,131,743	79,424,208	80,631,668
Wheat		24,568,445	24,925,492	24,731,192	24,787,008
Barley		6,825,267	7,532,676	7,026,798	6,692,971
Jowar		21,248,397	20,534,397	23,240,828	22,808,485
Bajra		14,062,194	12,951,651	13,291,242	13,698,562
Ragi		3,851,709	3,903,487	3,999,737	3,972,870
Maize		5,943,160	6,012,370	6,551,892	6,457,615
Gram		13,972,616	13,625,371	11,458,586	13,643,927
Other grains and pulses		29,599,957	29,651,481	30,294,060	30,032,659
TOTAL FOOD GRAINS		196 678,613	200,268,668	200,018,488	202,735,765
Area under other food crops (including fruits, vegetables, spices, etc)		7,843,526	7,852,024	7,897,902	8,241,111
Area under—					
Sugar		3,046,486	2,674,973	2,582,581	2,861,987
Coffee		92,293	87,341	90,851	92,349
Tea		743,384	759,918	765,827	774,683
Area under Oilseeds—					
Linseed		2,212,206	2,091,800	1,926,444	1,999,125
Sesamum (til or jinjili)		3,540,791	3,668,365	3,555,651	3,688,108
Rape and Mustard		3,277,118	4,287,495	3,554,406	3,296,765
Groundnut		4,700,241	5,401,342	5,012,393	5,310,453
Coconut		634,584	649,765	654,111	639,665
Castor		567,783	532,656	436,044	455,827
Other Oilseeds		1,190,283	1,254,797	1,190,506	1,117,618
TOTAL OILSEEDS		16,123,006	17,886,220	16,329,556	16,457,557
Area under—					
Cotton		14,804,461	16,507,146	16,141,029	14,200,880
Jute		3,293,801	3,062,302	3,268,028	3,402,254
Other fibres		712,695	656,522	665,771	719,270
Indigo		67,161	80,545	70,808	64,187
Opium		54,384	49,319	41,385	42,562
Tobacco		1,144,826	1,149,398	1,173,155	1,112,113
Fodder crops		9,152,376	9,177,321	9,380,781	9,299,888
Estimated yield† of—					
Rice (Cleaned)	*tons*	28,234,000	32,150,000	31,132,000	32,198,000
Wheat	,,	7,791,000	8,592,000	10,469,000	9,806,000
Tea‡	*lbs*	390,919,800	404,153,200	432,842,000	391,080,800
Cotton§	*400 lbs bales*	5,661,000	6,675,000	6,991,000	6,750,000
Jute‡	,, ,,	10,188,000	9,906,000	10,335,000	11,205,000
Linseed	*tons*	348,000	322,000	380,000	377,000
Rape and Mustard	,,	840,000	910,000	1,095,000	988,000
Sesamum (til or jinjili)	,,	543,000	495,000	455,000	526,000
Groundnut (nuts in shell)	,,	2,424,000	2,778,000	2,362,000	2,766,000
Castor seed	,,	138,000	113,000	116,000	120,000
Indigo	*cwts*	10,900	15,100	14,400	13,000
Raw Sugar (*Gur*)	*tons*	3,217,000	2,704,000	2,752,000	3,328,000
Coffee	*lbs*	35,563,000	27,767,000	39,424,000	32,978,000
Rubber‡	,,	26,042,000	26,839,000	28,023,000	24,351,000

† The forest areas returned in the Agricultural Statistics do not agree in most cases with those stated in the reports on the administration of the Forest Department for various reasons the chief amongst which are the following –

(1) The administration reports relate exclusively to forests worked by the Forest Department, while the tables of agricultural statistics include, in addition forest areas administered by District Officers, and (2) certain village and other lands not covered by forest but worked by the Forest Department and returned as forest lands by that department are not treated as forests in the returns of Agricultural Statistics

Agricultural Area and Yield of British India—Summary.

1931-32	1932 33	1933-34	1934-35	1935-36	1936-37
Acres	Acres	Acres	Acres	Acres	Acres
668,869,419	668,045,220	668,039,414	668,061,327	667,361,372	674,482,3[illegible]4
88,565,903	88,802,903	89,066,930	89,239,045	89,461,559	89,173,071
145,614,386	145,550,408	144,992,244	144,816,630	144,942,190	155,004,196
154,999,889	154,610,389	153,626,749	154,260,234	153,592,651	154,301,631
49,041,627	50,692,794	47,639,276	52,298,737	51,004,871	48,638,377
228,835,924	228,075,9[illegible]3	232,245,900	226,979,699	227,869,972	231,884,600
48,728,580	49,881,881	50,507,791	50,533,556	51,317,373	51,636,212
81,287,906	79,968,340	80,424,560	79,520,027	79,888,371	81,678,278
25,320,103	25,013,734	27,597,909	25,655,219	25,149,550	25,249,687
6,495,226	6,405,179	6,724,070	6,586,992	6,178,401	6,531,294
21,608,475	21,461,510	21,401,471	21,853,215	21,540,047	24,012,881
13,941,599	14,007,040	13,138,065	13,101,694	13,068,671	11,451,033
3,870,753	3,826,268	3,732,104	3,737,824	3,534,930	3,585,220
6,108,794	6,267,238	6,019,335	6,184,635	6,210,566	5,954,317
15,931,743	13,926,173	16,545,694	13,732,519	14,896,657	15,796,220
30,449,361	30,587,405	30,609,950	30,262,806	29,792,485	29,776,991
205,013,960	201,462,887	206,223,158	200,634,931	200,259,678	204,035,921
8,389,156	8,300,881	8,078,032	8,484,926	8,307,828	8,181,257
3,040,802	3,367,536	3,363,576	3,523,572	4,038,392	4,471,369
91,714	93,303	94,888	96,047	97,411	97,827
775,121	775,038	779,362	782,970	786,751	793,503
2,216,600	2,160,682	2,067,118	2,127,673	2,121,444	2,342,204
3,712,468	4,247,136	4,206,868	3,393,215	3,673,070	3,728,840
3,506,882	3,523,558	3,321,307	2,855,047	2,920,969	3,318,490
4,226,008	5,467,973	5,948,891	4,043,824	4,306,745	5,516,881
617,858	637,897	640,128	665,060	667,351	664,527
514,497	546,270	475,074	421,549	392,135	416,941
1,088,087	1,111,341	1,134,145	1,036,363	1,580,688	1,806,344
15,882,400	17,694,857	17,793,531	14,542,731	15,662,402	17,794,227
14,486,513	13,121,660	14,498,803	14,484,015	15,760,603	15,357,464
1,845,216	1,876,696	2,494,024	2,476,195	1,935,761	2,539,933
686,239	668,572	633,264	624,358	769,783	760,351
53,453	60,408	42,391	60,320	39,825	43,284
42,093	31,233	17,839	9,469	9,988	10,250
1,150,260	1,117,194	1,035,382	1,256,855	1,230,006	1,151,274
9,624,662	9,989,067	10,207,003	10,308,036	10,790,461	10,792,310
33,001,000	31,114,000	30,907,000	30,238,000	28,269,000	32,438,000
9,024,000	9,455,000	9,370,000	9,729,000	9,420,000	9,752,000
394,083,500	433,669,300	383,674,400	399,251,000	394,429,000	395,180,500
4,678,000	5,979,000	6,492,000	6,477,000	7,254,000	7,348,000
5,542,000	7,072,000	7,987,000	8,500,000	7,215,000	9,611,000
416,000	406,000	376,000	420,000	388,000	420,000
1,025,000	1,042,000	943,000	900,000	957,000	964,000
476,000	551,000	541,000	406,000	463,000	480,000
2,268,000	2,997,000	3,330,000	1,884,000	2,258,000	2,858,000
146,000	151,000	143,000	105,000	121,000	128,000
9,900	11,100	7,500	10,200	6,800	7,200
3,975,000	4,676,000	4,896,000	5,140,000	5,908,000	6,498,000
33,614,000	33,037,000	34,601,000	32,776,000	41,173,000	34,008,000
20,117,000	6,381,000	12,915,000	37,156,000	48,545,000	60,127,000

† The acreage of crops given in this table is for British India only, and is compiled from the returns of Agricultural Statistics but the estimated yield includes the crops in certain Indian States and is compiled from the "Estimates of Area and Yield of Principal Crops in India

‡ The Statistics of the production of tea, jute and rubber are for calendar years

§ Net exports and consumption

8

Area Cultivated and Uncultivated in British India in Acres

1936-37

Province	Area according to survey	Deduct Indian States	Net Area: According to survey	Net Area: According to village papers
Madras	80,104,239		80,104,239	80,082,207
Bombay	48,721,608		48,720,608	48,727,608
Sind	30,027,932		30,027,932	30,027,932
Bengal	52,732,356	3,477,760	49,254,596	49,254,596
United Provinces	72,510,152	4,661,232	67,848,920	67,966,253
Punjab	64,388,480	3,386,880	61,001,600	60,174,360
Burma	167,517,971		167,517,917	167,517,971
Bihar	44,324,194		44,324,194	44,324,194
Orissa	20,594,776		20,594 776	20,605,973
Central Provinces and Berar	63,004,800		63 004,800	63,105,671
Assam	43,375 360	7 890,560	35,484,800	35,484,800
North-West Frontier Province	8,578 366	140,800	8,437,566	8,576,738
Ajmer-Merwara	1,770,921		1 770,921	1,770,921
Coorg	1,019,320		1,019,320	1,019 320
Delhi	368,931		368,931	368,931
TOTAL	686,918,604	19,557,232	667,361,372	666,871,243

Province	Cultivated: Net area actually shown	Cultivated: Current fallows	Uncultivated: Culturable waste other than fallow	Uncultivated: Not available for cultivation	Uncultivated: Forests
Madras	31,705,506	9,490,987	10,792,613	15,722,154	12,370,947
Bombay	28,154,019	5,593,158	877,930	5,683,476	8,414,105
Sind	4,710,750	5,104,775	5,782,391	13,706,511	728,502
Bengal	24,466,300	4,690,883	5,949,866	9,692,231	4,455,316
United Provinces	36,166,954	2,601,588	10,037,803	9,884,560	9,275,348
Punjab	27,905,978	3,220,828	14,120, 422	12,958,234	1,969,098
Burma	18,165,172	3,802,944	62,071,697	61, 468,739	22,009,869
Bihar	19,916,600	6,542,460	5,133,501	6,292,366	6,439,267
Orissa	6,486,300	1,695,473	3,613,873	6,172,556	2,637,771
Central Provinces and Berar	24,593,915	3,746,418	13,985,374	4,906,582	15,873,082
Assam	6,618,476	1,845,522	18,756,295	4,577,400	4,192,107
North-West Frontier Province	2,817,893	409,883	2,811,857	2,684,673	852,932
Ajmer-Merwara	825,146	215,007	293 825	840,161	96,782
Coorg	142,402	166,938	11,690	334,045	364,445
Delhi	214,186	11,518	62,674	80,558	
TOTAL	231,884,600	48,638,327	154,301,681	155,004,196	89,178,071

Area under Irrigation in British India in Acres 1936-37

Province	Total Area sown*	Area Irrigated: By Canals					
		Government	Private	By tanks	By wells	Other sources	Total area irrigated
Madras	36,597,412	3,789,753	170,160	3,111,141	1,400,726	269,714	8,741,794
Bombay	24,170,878	258,865	59,239	79,936	666,955	40,659	1,105,644
Bengal	29,403,400	199,326	235,152	899,899	56,714	479,798	1,870,889
United Provinces	45,114,441	3,121,382	28,926	64,209	4,765,940	2,217,409	10,197,866
Punjab	32,660,968	10,885,910	466,288	33,760	4,086,756	131,993	15,604,707
Burma	19,313,972	703,410	260,115	156,140	17,182	341,147	1,477,994
Bihar	24,487,300	614,622	783,602	1,458,124	522,295	940,015	4,318,658
Central Provinces and Berar	27,551,440	†	869,035	†	128,540	51,661	1,049,236
Assam	7,397,855	240	348,890	1,451		304,545	655,126
North-West Frontier Province	2,706,317	435,898	22,285		83,871	83,047	1,025,101
Sind	5,255,047	3,687,057	6,587		35,682	332,553	4,061,879
Orissa	7,037,848	305,399	49,149	295,084	8,467	697,085	1,355,484
Ajmer-Merwara	375,418			20,810	102,840	221	123,871
Coorg	143,610	2,347		1,646			3,993
Delhi	289,594	23,019		1,348	19,603		43,970
TOTAL	267,535,500	24,027,228	3,699,728	6,123,838	11,895,571	5,889,847	51,636,212

Province	Crops Irrigated‡: Rice	Wheat	Barley	Jowar	Bajra	Maize
Madras	7,668,576	3,118	12	435,139	306,292	4,929
Bombay	136,764	185,830	13,000	290,049	49,721	28,746
Bengal	1,665,743	13,488	3,335	65	114	4,065
United Provinces	402,545	3,388,162	1,826,927	33,442	2,433	106,563
Punjab	798,723	5,150,898	238,495	185,320	336,098	486,880
Burma	1,419,223	467		145		395
Bihar	2,747,798	256,840	131,088	74	1,496	68,634
Central Provinces and Berar	888,439	31,479	1,484			239
Assam	630,239			19,810		
North-West Frontier Province	38,746	355,974	57,543	392,854	8,303	246,628
Sind	1,111,948	930,776	14,020	1	234,013	2,801
Orissa	1,233,206	852		1,325		1,228
Ajmer-Merwara	34	11,101	26,714		1,717	32,693
Coorg	3,993			480		
Delhi	14	18,498	2,696	1,189	35	240
TOTAL	18,815,991	10,347,483	2,315,314	1,362,209	940,202	984,041

Province	Other cereals and pulses	Sugarcane	Other food crops	Cotton	Other non-food crops	TOTAL
Madras	1,183,606	114,656	262,946	271,145	571,989	10,822,408
Bombay	86,817	81,919	155,561	51,599	180,664	1,260,670
Bengal	46,575	32,259	94,337	688	15,992	1,876,661
United Provinces	2,366,419	1,640,903	356,575	309,114	361,300	10,794,388
Punjab	1,477,332	463,575	304,043	2,678,163	3,741,763	15,861,290
Burma	10,089	3,643	35,929	2,034	74,714	1,546,639
Bihar	690,250	152,489	190,208	2,261	74,089	4,318,658
Central Provinces and Berar	4,878	28,834	85,265	81	8,463	1,049,236
Assam	1,032		12,028		11,827	655,126
North-West Frontier Province	41,242	71,469	34,173	13,857	137,757	1,025,502
Sind	631,211	6,454	52,006	393,976	266,096	4,606,155
Orissa	216,677	29,832	19,488	426	18,979	1,520,689
Ajmer-Merwara	21,546	91	10,288	22,858	5,404	133,771
Coorg						3,993
Delhi	2,975	4,219	7,147	1,496	6,170	43,970
TOTAL	6,780,549	2,630,343	1,619,994	4,247,698	5,214,205	55,521,738

* Includes areas sown more than once

† Included under "Private canals"

‡ Represents area irrigated at both harvests

Area under Crops in British India in Acres 1936-37

Province	Rice	Wheat	Barley	Jowar or cholum (great millet)	Bajra or cumbu (spiked millet)	Ragi or marua (millet)	Maize
Madras	9,889,532	14 140	3,557	5,120,957	2,767,932	1,788,739	80,551
Bombay	1,830,641	1,654,150	18,716	9,949,748	2,588,785	601,573	184,663
Bengal	21,992,500	149,500	95,300	6,100	2,100	4,500	73,000
United Provinces	6,762,976	7,633,315	4,147,237	2,122,015	2,045,570	248,049	1,974,202
Punjab	1,039,498	9,398,533	739,558	928,429	2,851,208	18,604	1,077,591
Burma	12,634,029	61,035		531,732			212,739
Bihar	9,948,500	1,129,600	1,271,000	72,900	65,600	615,700	1,641,900
Central Provinces and Berar	5,683,879	3,139,859	14,785	4,658,008	122,723	9,442	154,102
Assam	5,439,696						
North-West Frontier Province	38,784	1,065,705	174,303	78,430	128,250		456,809
Sind	1,184,948	931,086	14,020	402,127	802,288	221	2,803
Orissa	5,150,712	3,466	281	50,409	8,402	294,723	30,730
Ajmer-Merwara	259	19,033	35,558	78,037	23,981	56	62,178
Coorg	85,008					3,399	
Delhi	316	50,825	16,079	22,989	44,194	7	3,059
TOTAL	81,678,278	25,249,687	6,531,294	24,012,881	11,451,033	3,585,220	5,954,317

Province	Gram (pulse)	Other food grains and pulses	Total food grains and pulses	Linseed	Sesamum (til or jinjili)	Rape and mustard	Groundnut
Madras	82,884	6,174,896	25,923,378	1,539	802,143	2,424	3,495,028
Bombay	640,568	2,495,196	19,945,040	122,804	132,462	18,282	987,046
Bengal	241,900	1,159,900	23,724,800	130,600	183,800	743,200	2,700
United Provinces	6,444,985	6,743,720	33,122,069	308,028	290,882	284 875	106,945
Punjab	4,908,918	1,421,316	14,689,718	31,424	99,988	981,946	
Burma	264,054	986,129	20,199,800	24	1,440,632	5 282	764,600
Bihar	1,373,700	4,030,600	20,327,125	550,300	115,100	533 200	
Central Provinces and Berar	1,153,638	5,390,682	5,683 774	1,182,027	466,413	72,008	148,614
Assam	(a)	244,078	2,283,121	6,529	20,198	400,968	
North-West Frontier Province	229,052	111,788	3,966,535	17	4,082	102,295	
Sind	847,042	285,001	6,177,120	12	30,034	139,071	10
Orissa	5,500	632,897		8,804	121,933	26,696	11,948
Ajmer Merwara	29,181	47,127	295,430	96	21,125	527	
Coorg		1,377	89,784		41	.	
Delhi	74,798	12,284	224,551		7	10,216	
TOTAL	15,796,220	29,776,991	204,035,921	2,342,204	3,728,840	3,318,490	5,516,881

(a) Refers to "Bengal Gram"
(b) Included under "Other food grains and pulses".

Area under Crops in British India in Acres— *contd.*
1936-37

Province	Coconut	Castor	Other oil-seeds	Total oil-seeds	Condiments and spices	Sugarcane	Sugar others*
Madras	584,613	263,870	72,271	5,221,883	572,200	119,650	91,252
Bombay	27,911	46,982	810,482	2,145,969	197,039	83,664	1,443
Bengal	12,700	400	30,000	1,100,500	173 300	354,800	63,000
United Provinces		9,054	26,966	1,026,750	112,054	2,464,527	
Punjab		14	25,313	1,138,715	34,868	554,348	
Burma	9,104	3	8,548	2,228,693	87,788	60,883	29,007
Bihar		32,700	309,500	1,540,800	78,400	460,580	
Central Provinces and Berar		31,217	409,114	2,309,393	118,936	32,229	
Assam		2,946		430,641		40,181	
North-West Frontier Province			55	106,449	2,137	71,536	
Sind	13	4,424	28,878	202,442	3,580	6,454	238
Orissa	30,186	25,301	84,729	309,592	25,636	31,385	1,241
Ajmer-Merwara				21,748	2,964	382	300
Coorg				41	4,267	40	
Delhi			388	10,611	699	4,599	
TOTAL	664,527	416,941	1,806,344	17,794,227	1,413,872	4,285,175	186,191

Province	Cotton	Jute	Other fibres	Total fibres	Indigo	Other dyes
Madras	2,187,052		159,177	2,646,229	30,098	902
Bombay	3,713,602		77,022	3,790,624	6	949
Bengal	58,100	2,154,800	41,700	2,254,600		
United Provinces	691,810	3,137	267,015	961,962	2,197	610
Punjab	2,909,152		50,851	2,960,003	9,147	12,110
Burma	518,642		1,099	519,741	412	
Bihar	31,500	211,000	11,500	254,000	1,400	
Central Provinces and Berar	3,951,645		141,484	4,093,129	14	26
Assam	36,116	157,496		193,612		
North-West Frontier Province	21,182		1,567	22,749		47
Sind	893,976		451	894,427		618
Orissa	8,322	13,500	7,845	29,667		1,075
Ajmer-Merwara	34,308		104	34,412		
Coorg						
Delhi	2,057	.	536	2,593	10	
TOTAL	15,357,464	2,539,933	760,351	18,657,748	43,284	16,337

*Area under sugar-yielding plants other than sugarcane such as date palm, palmyra palm

Area under Crops in British India in Acres—*concld.*
1935-36.

Province	Opium	Coffee	Tea	Tobacco	Other drugs and narcotics (*a*)	Fodder crops
Madras		56,987	75,349	253,160	154,672	532,753
Bombay		4	12	144,808	27,880	2,621,870
Bengal			203,100	307,300	3,600	107,900
United Provinces	7,950		6,608	80,063	2,636	1,461,888
Punjab	2,300		9 780	61,699	1,902	4,989,449
Burma		13	55,514	103,606	65,634	249,741
Bihar			4,000	126,800		23,500
Central Provinces and Berar				12,381	1,828	513,076
Assam			438,925	12,492		
North-West Frontier Province				12,601	191	186,334
Sind				5,646	111	125,806
Orissa		61		29,696	1 656	19,816
Ajmer-Merwara		-		38		1,903
Coorg		40,762	415		-	
Delhi				1,004		38,216
TOTAL	10,250	97,827	793,503	1,151,274	259,210	10,792,810

Province	Fruits and vegetables including root crops	MISCELLANEOUS CROPS Food	Non-food	Total area sown	*Deduct* area sown more than once	Net area sown
Madras	739,364	29,881	149,653	36,597,412	4,891,906	31,705,506
Bombay	208,029	2,182	6,359	29,170,878	4,016,859	28,154,019
Bengal	786,700	244,600	79,200	29,403,400	4,937,100	24,466,300
United Provinces	554,772	228,704	82,251	45,114,441	8,947,487	36,166,954
Punjab	254,014	234,898	85,160	32,660,968	4,754 990	27,905,978
Burma	1,640,120	14,920	228,172	19 343,972	1,178,800	18,165,172
Bihar	417,900	1,060,600	319,600	24,487,310	4,570,700	19,916,600
Central Provinces and Berar	139,639	2,585	1,080	27,551,440	2,957,525	24,598,915
Assam	462,932	*	185,298	7,397,855	784,379	6,613,476
North-West Frontier Province	25,995	41,215	3,940	2,706,317	388,424	2,317,893
Sind	45,293	2,98[illegible]	1,001	5,255,047	544,294	8,710,753
Orissa	150,645	55,911	204,369	7,037,848	551,548	6,486,300
Ajmer-Merwara	386	12,945	4,640	875,418	50,272	825,146
Coorg	8,301			143,610	1,208	942,402
Delhi	5,754	1,297	260	289,594	75,408	214,186
TOTAL	4,835,262	1,932,123	1,230,983	267,535,500	35,650,900	281,884,600

(*a*) Includes figures for Cinchona and Indian hemp also
*Included under non-food crops.

Yield of Principal Crops in British India
1935–36

Province	Rice (tons)	Wheat (tons)	Barley (tons)	Jowar (tons)	Bajra (tons)	Maize (tons)	Gram (tons)	Sugarcane (in tons of raw sugar)	Coffee (lbs of cured coffee)	Tea (b) (lbs)
Madras	4,794,000	(a)	(a)	1,302,000	709,000	34,000	14,000	338,000	7,411,000	32,676,000
Bombay	700,000	289,000	6,000	1,605,000	296,000	54,000	87,000	207,000	(a)	(a)
Bengal	9,805,000	44,000	31,000	2,000	(f)	24,000	68,000	626,000		99,419,900
United Provinces	1,919,000	2,468,000	1,558,000	426,000	372,000	534,000	1,917,000	3,765,000		1,823,700
Punjab	(a)	3,395,000	206,000	123,000	361,000	392,000	953,000	465,000		2,388,500
Burma	4,721,000	(a)		39,000		31,000	44,000	(a)	(a)	(a)
Bihar	3,359,000	435,000	432,000	18,000	26,000	482,000	450,000	493,000		1,124,800
Central Provinces and Berar	1,781,000	600,000	3,000	1,015,000	27,000	82,000	209,000	51,000		
Assam	1,904,000						(a)	40,000		223,325,300
North-West Frontier Province	(a)	291,000	53,000	13,000	29,000	214,000	11,000	79,000		
Orissa	1,601,000	1,000	(c)	11,000	1,000	7,000	2,000	51,000	(c)	
Sind	455,000	311,000	4,000	91,000	83,000	1 000	50,000	13,000		
Ajmer-Merwara	(a)	6,000	12,000	3,000	1,000	12,000	2,000	(a)		
Coorg	55,000						(c)	(a)	11,081,000	187,900
Delhi	(a)	19,000	6,000	1,000	6,000	(c)	24,000	6,000		
TOTAL	31,094,000	7,859,000	2,311,000	4,649,000	1,911,000		3,861 090	6,134,000	18,492,000	360,946,200

Province	Linseed (tons)	Sesamum (tons)	Rape and Mustard (tons)	Groundnut (tons of nuts in shell)	Castor (tons)	Cotton (Bales of 400 lbs each)	Jute (b) (Bales of 400 lbs each)	Indigo (in cwts of dye)	Rubber (b) (lbs)	Tobacco (tons)
Madras	(a)	100,000	(a)	1,657,000	35,000	493,000		4,700	3,025,000	133,000
Bombay	9,000	13,000	2,000	407,000	6,000	665,000				35,000
Bengal	23,000	39 000	166,000	(a)	(a)	23,000	7,940,000			134,000
United Provinces	148,000	109,000	399,000	(a)	3,000(d)	174,000	(a)	300		86,000
Punjab	3,000	8,000	153,000		(a)	1,456,000		1,900		29,000
Burma	(a)	41,000	(a)	144,000		114,000		(a)	29,679,000	44,000
Bihar	84,000	17,000	122,000		5,000	6,000	1,084,000	300		51,000
Central Provinces and Berar	88,000	38,000	17,000	46,000	6,000	851,000		(a)		4,000
Assam	(a)	(a)	55,000		(a)	13,000	29,000			6,000
North-West Frontier Province	(a)	13,000	16,000			4,000				8,000
Orissa	1,000	2,000	5,000	(a)	3,030	1,000				11,000
Sind	(a)	1,000	13,000	(a)	(c)	486,000				2,000
Ajmer-Merwara	(a)	(a)	(a)			12,000				(a)
Coorg		(a)							672,000	(a)
Delhi			2,000			1,000		(a)		(c)
TOTAL	356,000	376,000	950,000	2,254,000	48,000	4,300,000	9,515,000	7,200	33,376,000	

(a) Not available (b) For calendar year 1935 (c) Less than 500 tons (d) Figure refers to Bengal Gram
(e) Excludes estimates for the mixed crop for which there are no reliable data at present (f) Relates to "Bihar and Orissa"

Irrigation Works– Principal Results of Operations.

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of Land Irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
PRODUCTIVE WORKS	*Miles*	*Miles*	*Acres*	Rs	Rs	Rs	Rs	Per cent	Rs	Per cent.
Irrigation Works										
Madras										
Godavari Delta System	510	4,887	902,550	1,89,46,654	54,56,076	14,10,844	40,45,232	21 35	6,13,229	25 85
Kistna Delta System	349	2,198	756 595	2,32,98,124	47,13,019	11,57,711	35,55,308	15 26	8,07,617	24 56
Cauvery Delta System	11,258	3,205	200,511	80,96,781	14,58,264	3,11,189	11,47,075	14 17	3,14,817	21 34
Pennar River Canals System	31	477	69,471	68,97,148	6,22,308	1 40,119	4,82,189	6 99	1,97,885	22 52
Periyar System	182	118	104,866	1,08,35,654	9,01,844	2,31,742	6,70,102	6 18	3,50,570	25 70
Ganjam Minor River System	119	225	17,006	2,89,226	60,848	37,325	23,523	8 13	9,556	61 34
Lower Coleroon Anicut System	383	620	76,645	30,01,669	4,87,335	1,63,042	3,24,293	10 80	1,12,794	33 46
Other Systems	931	1,820	321,296	8,25,70,239	26,71,727	9,65,200	17,06,518	2 07	37,95,271	36 13
Total	3,733	10,05,50	2,448,940	15 39,35,454	1,63,71,421	44,16 681	1,19,54,749	7 77	62,01,734	26 98
Bombay	69	7	7,191	14 98,855	1,67,726	26,837	1,41,389	89 44	46,393	15 70
Sind										
Desert Canal	247	87	1,88,365	27 55,056	3,95,465	2,31,401	1,64,064	5 96	89,462	58 51
Fuleli Canal	408	296	2,71 836	56,68,933	4,53,569	,06 665	1,46,904	2 59	2,47,605	67 61
Pinyari Canal	386		87,844	12,46,655	2,18,075	2,71 940	−53,365		51,746	124 70
Lloyd Barrage and Canals construction	1,931	4,561	26,75,330	27,92,08,092	1,45,18,876	60 65,795	84 23,081	3 02	1 34,82,473	41 99
	854	205	5,14,956	57,68,437	16,60,032	8,62 160	7,97,872	13 84	2,54,739	51 94
Total	3,826	5 149	3,738,331	29,16,37,173	1,72,46 017	77,67,961	94,78,056	3 2[illegible]	1,60,76,028	45 04
Bengal	58	176	695,183	1,26,19,794	5,11,630	2 89,282	2,22 348	1 8	6,03,198	56 54

Irrigation Works—Principal Results of Operations—*contd*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of Land Irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
PRODUCTIVE WORKS—*Contd*	*Miles*	*Miles*	*Acres*	Rs	Rs	Rs	Rs	Per cent	Rs	per cent
Irrigation Works—contd										
United Provinces										
Ganges Canal	568	3,381	1,176,273	4,42,17,121	73,73,303	17,68,934	55,94,369	12 65	14,57,719	23 46
Lower Ganges Canal	662	3,162	8,77,266	4,20,40,652	36,69 753	14,80,748	31,86,005	7 58	13,06,670	31 74
Eastern Jumna Canal	129	798	3,26,426	60,39,180	26,33,031	5,37,517	20,94,514	34 68	2,05,045	20 38
Agra Canal	100	912	2,41,515	1,23,61,800	12,38,383	4,61,371	7,76,912	6 28	3,83,920	37 21
Sarda Canal	912	2,361	6,52,685	9,92,40,291	43,70,787	25,05,539	16,65,248	1 68	45,24,215	59 37
Other Canals		8 2	2,23,803	4,50,29,551	32,76,093	21,74,848	11,01,245	2 45	14,83,094	66 39
Total	2,371	11,795	34,97,968	24,89,28,575	2,38,50,250	89,31,957	1,44,23,293	5 79	93,60,663	38 25
Punjab										
Upper Bari Doab Canal	332	1,502	13,19,283	2,17,45,353	61,89,831	16,52,048	45,37 783	20 37	7,04,092	26 70
Western Jumna Canal	308	1,740	9,90,826	1,89,69,297	39,97,913	15,96,258	24,01,655	12 66	6,16,816	39 93
Sidhnai Canal	67	250	3 58,111	12,36,892	9,84,089	1,59,889	8,24,200	61 65	43,092	16 25
Sirhind Canal	318	1,638	18,77 079	2,68,61,604	51,64 451	16,24,085	35,40,366	13 43	8,43,997	31 46
Chenab Inundation Canals	197	159	6,07,252	11,69,655	8,94,984	4,62,817	1,32,167	11 30	39,789	77 79
Lower Chenab Canal	4 3	2,436	3,07,254	4,50 46,989	1,91,29,055	33,30,237	1,57,98,818	35 07	16,03,611	17 41
Panjnad Headworks	181	1,011	12,72,762	2,02,48,736	51 21,452	13,20,355	38,01,097	18 77	7,06,510	25 75
Lower Jhelum Canal	161	1,239	15,43,870	4,03,42,091	34,46,626	11,48,321	22,98,305	5 70	13,02,661	33 32
Upper Chenab Canal	128	585		4,50,85,805	18,95,504	12,65,284	6,30,220	1 40	14,81,281	66 75
Upper Jhelum Canal	132	1,335		2,32,14,903	1,02,16,323	15,61,402	86,54,921	37 15	7,77,734	15 29
Lower Bari Doab Canal	533	2,932		9,13,96 796	87,39 346	25,76,122	61,63 224	6 74	40,45,377	29 48
Sutlej Valley Project				8,76,531	1,63,725	85,587	78,138	8 61	29,236	52 28
Central Workshops										
Total	2,810	14,827	1,18 33,013	33,58,75,452	6,56,43 299	1,67,82,405	4,88,60,894	14 55	1,21,94,133	25 57
Burma										
Shwebo Canal	71	330	2,27,876	75,59,150	10,17,544	2,91,918	7,25,626	9 60	2,69,257	28 69
Other Canals	274	495	3,50,222	4,31,96,104	14,60,933	10,29,162	4,31,771	8 27	4,57,126	70 45
Total	345	825	5,78,098	2,07,55,262	24,78,477	13,21,030	11,57,397	5 58	7,26,383	53 30

NOTE—This table refers only to works for which capital accounts are maintained

Irrigation Works—Principal Results of Operations—*contd*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of land irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
	Miles	Miles	Acres	Rs	Rs	Rs	Rs	Per cent	Rs	Per cent
PRODUCTIVE WORKS—*contd.*										
Irrigation Works—contd										
Bihar and Orissa	862	1,225	564,599	2,63,23,844	24,48,080	9,49,225	18,98,855	7 08	8,60,925	33 33
North-West Frontier Province	86	185	205,312	76,49,926	11,69,334	3,06,973	8,62,361	11 27	2,73,834	26 25
TOTAL PRODUCTIVE IRRIGATION WORKS	13,660	44,289	23,568,685	1,10,27,23,826	12,97,86,234	4,07,91,901	8,89,94,333	8 07	4,63,43,341	37·16
Navigation, Embankment and Drainage Works										
Burma:										
Twante Canal	21			90,39,443	5,98,260	1,93,094	4,05,166	4 48	3,45,063	32 28
Others			916,211	61,68,822	16,37,404	3 64,098	12,78,306	20 64	2,17,978	22 24
TOTAL	21		916,211	1,52,08,265	22,85,664	5,57,192	16,78,472	11 04	5,63,041	24 92
TOTAL PRODUCTIVE NAVIGATION, EMBANKMENT AND DRAINAGE WORKS	21		916,211	1,52,08,265	22,35,664	5,57,192	16,78,472	11 04	5,63,041	24 92
TOTAL PRODUCTIVE WORKS	13,681	44,239	22,484,846	1,11,79,31,591	18,20,21,898	4,13,49,093	9,06,72,805	8 11	4,69,06,382	31 32
UNPRODUCTIVE WORKS										
Irrigation Works										
Madras	840	674	161,672	3,84,52,059	7,84,987	8,63,815	4,21,170	1 10	12,85 289	4[illegible] 85
Bombay	1,085	1,777	306,753	10,60,11,990	28,98,915	17,03,593	11,95,322	1 13	41,42,361	58 77
Bengal	65	255	40,606	84,92,053	1,25,832	1,27,315	—1,483		2,76,175	101 2
United Provinces	416	1,909	341,671	3,71,34,732	17,33,966	10,19,373	7,14,593	1 98	13,27,151	58 79
Punjab	1,008	1,012	761 379	1,38,49,456	15,36 982	1[illegible],59,109	1,77,283	1 33	5,48 596	68 46
Burma	143	450	237,640	2,02,94 220	9,25,822	8,78,953	46,869	0 23	7,90,515	94·93
Bihar	81	208	108,670	87,87,872	3,12,096	1,34,762	1,97,334	0 25	2 87 015	40 58
Central Provinces	862	3,029	286,140	6,78,84,879	9,73,229	6,54,537	3,18,692	0 4	26,76 110	67 24
North-West Frontier Province	195	199	255,821	2,43,83,628	10,19,768	6,36 613	3 83,150	1 57	8,45,770	62 63
Sind	371	116	93 748	28,43,3[illegible]5	1,34,677	2 17,597	- 83,921		1 07 817	162 78
Orissa	578	1,532	203 5[illegible]2	3,28,01,402	9 16,292	6,[illegible],974	2 54 318	0 78	10,68,154	72 2
Rajputana				35 66 855	95 519	44,923	50 396	0 85	1,15 116	68 11
Baluchistan			-1,049	5 89,320	40 148	63 569	- 23 421		1 35,606	158 24
TOTAL UNPRODUCTIVE IRRIGATION WORKS	4,934	10,911	2,818,041	36,75 91 854	1 15 16,135	73,86 133	36,30 302	0 99	1,35,65,824	65 48

Irrigation Works—Principal Results of Operations—*concld*

Irrigation Works	Mileage in Operation: Main Canals and Branches	Mileage in Operation: Distributaries	Area of land irrigated during the year	Total Capital Outlay (Direct and Indirect) to end of year	Gross Receipts (Direct and Indirect)	Working Expenses (Direct and Indirect)	Net Revenue: Amount	Net Revenue: Percentage on Total Capital Outlay	Interest on Mean Capital Outlay	Percentage of Working Expenses to receipts
	Miles	*Miles*	*Acres*	Rs	Rs	Rs	Rs	Per cent	Rs	Per cent
Navigation, Embankment and Drainage Works										
Madras	294			92,18,425	1,10,690	2,37,953	—1,26,963		2,91,265	214 70
Bengal	1,238			8,19,39,482	7,05,874	11,41,246	—4,35,372		12,90,518	161 7
Burma	38		386,522	1,35,73,395	7,77,482	6,72,245	1,05,237	2 79	5,50,658	86 46
Orissa				1,55,493	3		3	0 002	4,758	
Total Unproductive Navigation, Embankment and Drainage Works	1,570		386,522	5,48,86,795	15,94,049	20,51,144	—4,57,095		21,37,199	12 87
TOTAL UNPRODUCTIVE WORKS	6,504	10,911	3,204,563	42,24,78,149	1,31,10,484	99,37,277	31,73,207	0 75	1,57,43,024	75 80
GRAND TOTAL, PRODUCTIVE AND UNPRODUCTIVE WORKS, 1936-37	20,185	55,150	27,689,409	1,54,04,09,740	14,51,32,382	5,12,86,370	9,38,46,012	6 09	6,26,49,406	35 34
Totals 1935-36	20,318	55,063	26,625,411	1,53,17,83,468	13,77,65,407	5,01,97,804	8,75,68,103	5 71	5,75,99,452	36 43
1934-35	21,021	57,989	24,974,353	1,50,97,73,060	12,33,85,426	4,91,82,203	7,42,03,223	4 91	5,57,70,878	39 86
1933-34	20,950	58,979	26,019,861	1,48,75,60,794	13,10,39,719	4,85,58,144	8,24,81,575	5 54	5,43,64,899	37 06
1932-33	21,019	56,187	26,267,982	1,46,23,75,524	12,54,54,330	4,71,69,764	7,82,84,566	5 35	5,15,30,734	37 60
1931-32	23,057	51,101	25,206,161	1,42,63,10,902	11,53,70,296	4,45,03,636	7,08,66,660	4 97	4,78,99,101	38 57
1930-31	22,912	49,618	26,622,486	1,36,44,09,186	12,09,20,904	5,69,34,204	6 39,86,700	4 69	4,69,69,320	47 08
1929 30	22,999	50,038	27,361,206	1,30,26,84,335	12,94,29,508	5,85,83,531	7,08,45,977	5 44	4,61,45,741	45 26
1928-29	22,976	49,402	26,330,874	1,23,02,76,159	11,75,55,437	5,06,46,162	6,68,69,571	5 44	4,27 54,198	43 08
1927-28	22,402	44,587	22,802,900	1,15,31,67,211	12,10,06,522	4,74,85,444	7,35,21,078	6 38	4,08,43,335	39 24
1926-27	21,539	41,699	23,172,488	1,08,06,08,208	11,50,18,095	4,51,52,782	6,98,65,313	6 47	3,86,98,303	39 26

Area of Forest Lands and Outturn of Forest Produce

Province	Forest Area						Outturn of Produce	
	Area of Province*	Reserved Forests	Protected Forests	Unclassed State Forests, etc †	Total	Proportion of Forests to whole Area of Province	Timber and Fuel	Minor Produce
	Sq miles	Sq miles	Sq miles	Sq miles	Sq miles	Per cent	Cu ft	Rs
Madras	125,163	15,093	152		15,245	12·2	17,866,000	2,10,972
Bombay	76,127	12,218	780		12,998	17·1	49,814,000	29 46,440
Bengal	76,960	6,469	889	3,445	10,803	14·0	23,905,000	4,18,810
United Provinces	106,014	5,194	5	52	5 251	5·0	31,339,000	12,92,001
Punjab	95,315	1,175	3,207	460	4,842	5·1	29,817,000	17,05,815
Burma (including Federated Shan States and Karrenni)	(a)257,241	34,502		108,103	142,605	55·5	117,329,100	8,98,914
Bihar	69,257	1,144	639	3	1,786	2·6	5,399,000	1,84,860
Orissa	32,179	1,401	583	1	1,985	6·2	5,489,000	1,90,770
Central Provinces and Berar	98,445	19,413			19,413	19·7	47,400,000	20,21,477
Assam	55,445	6,604		14,789	21,393	38·6	14,122,000	5,39,150
North West Frontier Province	13,184	266		16	282	2·1	3,450 000	52,825
British Baluchistan	46,974	341		472	813	1·7	1,053,999	5,625
Ajmer-Merwara	2,767	142			142	5·1	613,177	60,371
Coorg	1,593	519	26	294	839	52·7	566,751	3,27,633
Sind	47,138	1,079	78		1,157	2·5	24,021,000	1,24,113
Andamans and Nicobars	2,508	52		2,137	2 189	87·3	3,371,000	8,151
Total, 1935-36	1,106,310	105,612	6,359	129,772	241,743	21·9	375,696 027	100,57,168
Totals 1935 36	1,101,356	106,122	6,812	153,085	266,019	24·2	378,195,834	1,01,39 678
1934-35	1,100,641	106,240	6,938	168,333	281,511	25·6	401,142,593	99,96,730
1933-34	1,099 503	106,079	7,003	169,582	282,664	25·7	317,257,081	1,12,07 444
1932-33	1,099,313	106,179	7,212	147,828	261,219	23·8	313,707,129	1,10,67,710
1931-32	1,101,902	105,960	6 682	133,189	245,831	22·3	305,911,538	1,13,27,397
1930-31	1,102,602‡	107,753	6 263	135,694	249,710	22·6	322,852,829	1,25,86,854
1929-30	1,103,491‡	107,353	6,298	135,503	249,154	22·6	350,168,521	1,50,83,945
1928-29	1,103,593‡	106,849	6,308	136,665	249,822	22·7	364,189,585	1,51,78,316
1927-28	1,103,579‡	105,588	7,658	136,864	250,110	22·6	370,173,767	1,43 15,363
1926-27	1,100,146‡	(b)102,218	8 626	(b)116,303	227,147	20·6	362,035,906	1,45 87,903

NOTE—For figures of Forest Revenue and Expenditure *vide* Tables Nos 127 and 128.
* Excludes Delhi Province
† Unclassed State forests or 'public forest lands,' as they are often called, include in many provinces all unoccupied waste, often entirely devoid of trees So the statistics do not necessarily represent the wooded areas
‡ Excludes Delhi Province and the British Pargana of Manpur (Central India)
(a) Includes 61,016 square miles for Federated Shan States
(b) Excluding figures for Shan States and Karrenni

Protection of Forests—Results of Protection from Fire and from Cattle

PROVINCE	Total area of all forests	PROTECTION FROM FIRE: Area attempted	Area protected	Percentage of forests under fire-protection to total area of forests (Reserved and Protected)	PROTECTION FROM CATTLE: Area closed to all animals	Area closed to browsers only	GRAZING: Number of animals grazed on payment	Number of animals grazed free	Total number of animals grazed
	Sq miles	Sq miles	Sq miles		Sq miles	Sq miles			
Madras	15,245	4,603	4,643	30 7	1,879	575	1,476,770	79,100	1,549,682
Bombay	12,998	7,410	7,094	69 0	1,684	6,662	1,746,523	583,040	2,329,582
Bengal	10,803	1,863	1,759	28 9	6,230	126	52,857	1,711	54,568
United Provinces	5,251	4,465	4,435	85 0	1,986	946	400,508	664,945	1,065,453
Punjab	4,824	920	913	78 0	470	467	544,321	1,875,318	2,420,139
Burma (including Federated Shan States)	142,605	141	133	0 2	26,206	7,727	64,561	324,388	378,839
Bihar —	1,786	1,128	913	98 6	215	1,274	8,530	327,919	336,449
Orissa	1,985	782	714	56 0	527	1,452	85,232	144,181	229,413
Central Provinces and Bihar	19,493	16,066	15,622	82 9	2,143	13,510	2,745,421	259,543	3,974,964
Assam	21,393	28	28	0 4	4,643	12	18,765	14,397	33,072
North West Frontier Province	282	148	147	55 7	95	163	3,858	15,398	19,256
British Baluchistan	813				147	4	48,703	78,671	127,374
Ajmer-Merwara	142	142	140	99 4	138	128	22,492	3,542	36,034
Coorg	839	230	236	44 0	519	439	3,309	16,384	19,693
Sind	1,157	895	880	77 0	58	859	122,507	23,180	145,687
Andamans and Nicobars	2,189				52				
TOTALS, 1936 37	241,713	38,861	37,513	36 8	46,942	36,334	7,308,619	4,411,636	11,720,255
TOTALS 1935-36	266,019	37,742	35,510	38 5	47 431	35,303	7,350,832	4,780,557	12,131,389
1934 35	281,511	37,872	35,693	42 1	47,997	52,057	7,304,957	4,641,674	11,946,631
1933-34	282,664	48,513	46,283	42 9	48,737	40,147	7,371,539	4,707,610	12,079,149
1932 33	261,219	46,843	44,879	41 3	48,993	45,924	7,428,346	4,564,318	11,992,664
1931-32	245,831	46,271	43,236	40 8	47,966	37,048	7,548,906	5,056,408	12,605,314
1930-31	249,710	45,838	43,862	40 7	46,400	36,951	8,346,263	4,478,203	12,824,466
1929-30	249,154	46,178	43,997	40 9	45,849	37,224	9,278,158	4,805,737	14,083,895
1928-29	249,822	43,993	41,993	41 1	45,879	37,140	9,285,053	4,888,750	14,173,803
1927-28	250,110	42,173	40,205	39 9	46,148	36,423	9,142,845	4,831,196	13,974,041
1926 27	251,755	38,314	37,659	36 9	46,406	35,687	8,408,976	4,741,748	13,150,724

Cotton Mills Production (Yarn)

BRITISH INDIA	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Madras	68,748	69,036	74,480	76,926	87,729	104 910	98,274	103,766	113 615	129,886
Bombay	491,840	329,856	467,289	475,944	549,039	538,595	484,715	523,044	548,806	512,882
Bengal	34,347	30,022	37,058	37,763	37,620	40 821	39 912	41,056	40,991	38,065
U P	66,611	60,328	76,456	85,049	89,731	93,130	93,865	99,701	108,020	115,003
Punjab	3,780	3,017	3,717	4 032	5,171	5,033	2,571	2,700	7,119	9,035
Burma	64	2,048	2,576	3,625	3,259	3,280	3 329	4 023	3,671	3 516
Central Provinces and Berar	42 860	44,057	45,111	45,102	44,143	45 385	41,595	45,009	46,428	47,559
Ajmer-Merwara	4,231	4,992	5,695	6 003	6,962	7,797	8,098	8,631	10,385	8,608
Delhi	12 107	14,319	18,442	19,581	24,472	26,791	24 852	25 511	25,204	25,910
Total British India	724,588	557,765	730,819	753,665	848,126	885,772	796,711	853,241	904,239	890,784
Total Indian States and Foreign Territory	84,852	90,621	102,741	113 613	118,247	130,650	124 349	148 179	155,048	163,533

Cotton Mills Production (Woven Goods)

PROVINCES		1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Madras	000 lbs	19,949	19,632	20,714	19,668	21 774	22,558	20,131	23,530	23,255	27,303
Bombay	,,	421,591	284,057	376,418	392 057	459,248	462,222	415,072	56,690	471,240	473,839
Bengal	,,	8,307	9,959	14 857	16,748	17,204	20,852	23 612	32,368	32 601	34,986
United Provinces	,,	25,115	25,698	30,389	33,955	36,370	41,466	47,410	54 536	53,740	62 922
Punjab	,,	1,549	962	1,095	1,204	2,076	2,250	1,440	2,220	5,688	6,796
Central Provinces and Berar	,,	19,217	20,265	21,343	21,648	21,101	20 714	18,614	25,096	23 611	21,272
Ajmer-Merwara	,,	3,360	3,778	4,421	4,805	5 866	6,710	6 455	6 843	7 399	4 872
Delhi	,,	10,205	12,162	15,939	17,785	21,657	21,119	18,642	20 010	19,525	21 957
Bihar	,,						61	86	17	83	106
Burma (b)	,							206	449	478	502
Total British India	,,	509,293	376,518	484,621	507,870	585,295	597,952	551,398	621 619	637,620	650 755
Total Indian States and Foreign Territory	000 lbs	58,513	69,144	77,615	82,488	86,962	96 949	94,463	115 030	123,932	131 560
GRAND TOTAL		567,806	445,657	562 236	590,358	672,258	694 901	645,861	736 649	761,552	782,315

(a) Figures for Bihar and Orissa are being reported from April, 1932
(b) Figures for Burma are being reported from August, 1933

THE RAILWAY BUDGET

THE Railway Budget for 1939-40 is so unsensational that it might at first sight be considered almost routine Small, inevitable changes on both sides of the account between expectations and actualities, more or less equal surpluses and contributions to the revenue in the three years covered, budget estimates for the current year, these might tend to create the apprehension that the administration of the largest commercial enterprise has fallen into the rut of routine But a little reflection will show that the railways have entered a phase in which, apart from questions with a political tinge, the successful administration of the railways, from the point of view of the general tax payer who owns them and naturally expects to draw a good divided therefrom and also from the point of view of the commercial and economic interests of the country, is tending to become less and less a matter of sharp changes in policy and more of patient application to the solution of the many minute problems involved For the Railways have only recently passed through very trying times of strain and stress, having felt to the full the cumulative effect of changes in world economy and world trade and what is even more, of the changes in the structure of the national economy The result was a series of staggering deficits which had to be written off with the aid of the accumulated reserve of the years of prosperity With the arrears of contribution to general reserves and to the Depreciation Fund once cancelled, the railway administration has its task clear-cut, that of toning up the efficiency of the administration and the quality of its service, laying the sure foundations of a growth of prosperity in more favourable times, and, for the present, affording a fair amount of relief to the tax payer by making as good a contribution to general revenues as is possible in the prevailing circumstances

The criteria by which the railway administration have to be judged in these days are not, therefore easily fixed, as the public has in its mind a number of objectives which do not altogether lack conflict among themselves While on the one hand, there is a natural insistence on the contribution to the general revenues not only being kept up but even improved from year to year, there is also the demand for a downward revision of rates for goods and passengers Those who insist on the latter cannot claim that the response of traffic to reduction in rates would be so immediate and satisfactory that the policy would not involve privations for the tax payer Considering the unsettlement that the cessation of contributions to general revenues would cause to public finance as a whole in this country, it is only prudent to leave it for the time being to the Railway Administration to improve the qualities of the service then render to the public, to nurse traffic as a whole to healthy growth and expansion by appropriate methods of co-ordinating road-traffic and serving trade and industry in a progressively efficient, if not quite spectacular, way

The changes in the position of the Indian railways and in the structure of our national economy taken together with the immediate requirements of public finance in India require that so far as the railway administration is concerned, the emphasis of public interest should be shifted from the budget proper to the efforts of the administration to improve the position in its fundamentals The railway authorities are fully conscious of the significance of the changes And in the speech on the budget, the recital of figures in regard to actuals, revised and budget estimates, was subordinated to an account of the policies now being followed by the various railways Even apart from this, there is indeed at the moment little to give the budget figures any special importance The extent of variation between budget and revised estimates and actuals is altogether inconsiderable Owing to haziness of the general economic outlook and the constant threat of war, the Railway Member did not feel justified in taking any other course than that of assuming the continuance of present conditions It will be useful at this stage to indicate briefly the main features of the railway budget now presented to the Legislative Assembly

Last year it was estimated that the year would close with a surplus of Rs 283 lakhs

THE LAKSHMI INSURANCE COMPANY, LTD.

Head Office—LAHORE

(Established 1924)

1st FOR SERVICE AND SECURITY

SCHEMES OF FAMILY INCOME, CHILDREN'S INSURANCE, ETC.

Facts as on 30th December, 1938:

For the last working period of eight months only in 1938

Business in force	...	...	**7.90 crores**
New Business	...	...	**1.01 crores**
Life Fund	...	...	**1.13 crores**
Total Assets	...	...	**1.25 crores**

Bonus ‰ p. a. Rs. 16 and Rs. 20 on Endowment and Whole Life respectively

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AGRA	KARACHI	MADRAS
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which, according to the arrangement now in force, would be paid to general revenues The actual result was a surplus of Rs 276 lakhs, though the working expenses were about Rs ¾ crores more than the estimate, due mainly to increase in coal stocks, and the consequent increase in fuel charges, repairs, etc Gross receipts were Rs 95 crores against the revised estimate of Rs 94½ crores and Rs 91¾ crores in 1936-37 It should be remembered that the final surplus was realised after paying a sum of Rs 12½ crores to the depreciation fund which after an expenditure of Rs 8 crores thereon, stood at the year-end at Rs 1 9½ crores As for the current year, it will be remembered that the revised estimate for 1937-38 of Rs 94¾ crores was adopted in 1938-39 But, thanks to two windfalls in the closing months, the *Mela* of Haridhwar and very heavy movements of coal, the revised estimate of gross revenues is now put at Rs 94 2/3 crores Against this however, is expected an increase in the working expenses of Rs 61 lakhs as compared with the previous year and Rs 1 crore as compared with the budget estimate Of this increase, Rs 37 lakhs are accounted for by the increase in price and quantity consumed of coal Rs 18 lakhs by repairs to rolling stocks and Rs 18 lakhs by repairs to assets The net result is that after paying working expenses including depreciation and interest charges, a surplus of Rs 205 lakhs is anticipated for the current year The contribution to depreciation fund during this year is put at Rs 12½ crores and taking account of the expenditure on renewals and replacements amounting to Rs 7½ crores the balance in the fund at the end of the year should be Rs 24½ crores As hinted in an earlier part of this article, the budget estimates for 1939-40 are largely a repetition of the revised estimates for the current year The fact that 1940 is a leap year, however, makes for a small difference and gross earnings have been placed at Rs 94 75 crores against Rs 94 65 crores in the revised estimates for the current year Working expenses, it is expected, will show an increase of Rs 70 lakhs, (2 lakhs under contribution to depreciation fund, Rs 16 lakhs for the purchase of rail cars, Rs 14½ lakhs for reconditioning of wagons Rs 10 lakhs for additional repairs, Rs 14 lakhs for freight charges on coal and Rs 5 lakhs under certain adjustments) The effect of this increase on the surplus is reduced by the increase in miscellaneous receipts to the extent of Rs 36 lakhs of which the increase of 23 lakhs en account of interest on depreciation fund may be specially mentioned This taken together with the fall in interest charges of Rs 32 1/3 lakhs enables a surplus of Rs 213 lakhs It need hardly be pointed out that these figures are inclusive of the results of the working of the strategic railways, the loss on which, Indian public opinion has insised for a long time, should be included in the military budget

The capital programme for the year for the construction of new railway lines is a most one It relates mainly to the three projects which are intended to serve the new fertile areas recently developed by the Lloyd Barrage Of these, Sind Right Bank Feeder Railway for which Rs 73½ lakhs has been provided is expected to be completed next year While the Khadro Nawabshah line will make substantial progress, the Pithoro-Tando Mithakhan Railway is still under discussion with the Sind Government The next year's programme for open line works is on a somewhat larger scale than the current year's the gross figure being Rs 14 crores against Rs 12¼ crores In this programme, the largest single item is the provision of about Rs 1 crore for the purchase of the South Behar Railway which, considering the present rental of 4½ per cent and the prevailing rate of interest, must be deemed a paying proposition

It will be seen that the budget as such gives rise to few questions of financial policy and that in the present juncture the future of the railways depends much more on the success of the attempts to expand traffic by affording better service Sir Thomas Stewart was content with pointing out the difficulties in the way of effecting a general reduction in railway rates as the only sure way of meeting road competition Sir Thomas pointed out that the rate structure of the Indian railways was largely based on the principle of what the traffic can bear, taking advantage, of course, of the fact that the railways were monopoly carriers But now that there are competitors who have not only no overheads for track construction but have also the ability to select the traffic, the harmony and balance of the railway rates system, especially in respect of high grade traffic, has been disturbed And Sir Thomas contended that, while the Railway administration should be quick, as indeed they have been, "to quote special rates for particular areas, it is not a proposition which can be justified on any ground, practical or theoretical, that road competition can be met by universal reduction in rates " The experiences of the last few years have indeed established that there is no simple solution for the problem of road and rail competition The co-ordination which should in any proper order of things replace competition is a gradual development

and the attempts of the railways to co-ordinate road and rail wherever possible, should be welcomed not only as a contribution to the solution of this problem but also as a measure for the improvement of the position of the Railways However much one might regret the drop in railway revenues consequent on road transport, it is certain that it has made the railway administration more alert The railways have already done much in the way of running additional services both passenger and goods and improving the services Railways have carried out a detailed examination of goods train services so as to improve running speed, provide fast through trains for traffic offering in large quantities and to eliminate detentions to trains *en route*." Likewise, the amenities for passengers have been improved with a care which was unknown to the administration in the past It is learnt that new coaches for third class passengers are being built with better accommodation and improved designs In the North-Western Railway, attempts are made to run motor services by the railway authorities themselves. Thus, the efforts of the railway administration refer to innumerable small details and their value will be discernible only at a comparatively distant time

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THE CENTRAL BUDGET

Sir James Grigg's fifth and last budget was received by the public with an initial sense of relief There was indeed, something to be grateful for in that the Defence Budget has not been increased except for an increase of Rs 1 crore during the current year, and that new taxation has been confined to the doubling of the import duty on raw cotton But it is not only by momentary reliefs that the budget for the year must judged Every budget has to be set against the broader national interest as a whole Sir James Grigg's term of office was, in many ways, a crucial period in the history of India's finances Not only did he assume the office of Finance Member of the Government of India after the ravages of the Great Depression, but his term saw sharp fluctuating changes in the cyclical movements of trade The revival, which followed tne Depression, suffered a premature setback and the Finance Member was thus obliged to readjust his ideas of probable revenues somewhat too frequently during his term , and apart from the changes in the economic sphere, the five years during which Sir James had been in charge of the nation's finances, also a period of almost revolutionary changes in the political sphere The inauguration of Provincial Autonomy with the implicit obligation of the Centre to give the Provinces a fair start, the creation of new provinces with insufficient resources and the consequent need for subventions from the Centre, the separation of Burma involving a number of financial adjustments, these have had a direct effect on the finances of the Centre and what is more, the Centre is expected to be able to release more and more funds for distribution to the Provincial Governments who are responsible in the new dispensation for the discharge of all the positive functions of modern governments

The task of meeting the liabilities of the new order had been rendered all the more onerous by radical changes in the financial system Thanks to the Great Depression, the Indian Railways which formerly had made a contribution of Rs 5 crores to Rs 6 crores a year to the general revenues, had to face huge deficits which cut into the accumulated reserves of the earlier years Customs revenue, which had been the principal source of the Central Government, had begun to shrink as the result of the policy of developing Indian industries The task of Sir James Grigg and his predecessor was therefore no light one Looking at the financial record of the last decade in retrospect, it will be seen that both Sir James Grigg and his predecessors appraised tne financial problem at every stage from the point of view on the one hand of the changes in the various sources of revenue, and on the other hand, of present obligations and the commitments of the immediate future Sir George Schuster posed the question at an early stage of his tenure of office whether the sacrifices of revenue made by his predecessor by way of remission of Provincial contributions had been made up by the normal expansion of revenue and answering the question in the negative, he proceeded to make good the shortage by new taxation The alternative of reduction of expenditure, which, if it had been resorted to in years of comparative prosperity, would have benefited both the Central Exchequer and the national economy, was not considered till the full blast of the Great Depression was felt and the utmost revenue that the Government could secure could finance only a reduced scale of expenditure Likewise the economies which Sir James Grigg realised as, for instance in the past year, have been only under the threat of a deficit of unmanageable proportions That the Finance Member zealously guarded India's financial soundness may be readily granted But it is more than open to question whether the more important task of bringing the national budget into full accord with the requirements of the national economy has been recognised In other words, the interest of the national economy in the long run may be said to have been complied

with only in so far as the soundness of the national finances has been preserved

The national budget has, therefore, to be viewed only from the limited standpoint of the year-to-year task of finding the revenue for pre-determined expenditure. Within these limitations, it is, no doubt, a matter for gratification that the actuals for 1938-39 revealed an improvement of Rs 22 lakhs in revenue and a reduction of Rs. 9 lakhs in expenditure as compared with the revised estimates for that year. The main variations in revenue were increases of Rs 83 lakhs from taxes on incomes, Rs 14 lakhs net profits from posts and telegraphs offset by decreases of Rs. 82 lakhs under customs and Rs 10 lakhs in mint profits. The increases in income-tax and a more or less equal decrease in customs alike suggest an inaccuracy of estimates with which Sir James has always been charged but for which the shifting currents of trade at that time provide more than an excuse. Indeed, the difficulty of foresting revenue is seen in the differences between the budget estimates and the revised estimates of the current year. The surprise is, however, of the agreeable kind in that the withdrawals from the Revenue Reserve Fund which were originally estimated at Rs 109 lakhs are now reduced to Rs 78 lakhs leaving Rs 75 lakhs in the Fund. The Provinces' share of income-tax for the year has exceeded original anticipations and turned out to be Rs 163 lakhs.

The experiences of the current year should be regarded in the spirit of being thankful for small mercies. Revised estimates of revenue show a net deterioration of Rs 292 lakhs. Expenditure shows a net diminution of Rs. 18 lakhs and the result is that instead of realising a surplus of Rs 9 lakhs, 1938-39 is now expected to leave a deficit of Rs 265 lakhs. The decrease of Rs 367 lakhs under customs taken together with the decrease of Rs 82 lakhs under the same head for the previous financial year as compared with the revised estimates, serves to emphasise the instability of our revenues. Sir James Grigg pointed out that the replacements of imports of consumers' goods by imports of plant and raw materials of an equivalent value subject to lower rates of duly results in a lower yield and that this factor has been in operation concurrent with the setback in international trade. For our part, we would have thought that this feature of our foreign trade which is by no means new, and which, at any rate, could be foreseen to some extent, requires that the Central Government should progressively reduce its reliance on customs as the principal source of central revenues. And this purpose would be achieved not so much by the levy of excise duty on internal industries as by curbing expenditure and providing fair margins of surplus in budgetary estimates against a contingency of disappointment in regard to revenue. That the central excise duties should show an increase of Rs 49 lakhs what time customs record a shortage of Rs 367 lakhs, is symptomatic of the changes that are occurring in India's economy and the need for readjustments in the financial system. In fact, during the three years covered by the budget statement the variations in estimates and the fluctuations in revenue are so wide that they provide a strong case for the control of expenditure not in fits of zeal for retrenchment, but steadily, and with the recognition that the size of dependable revenue is smaller than it often seems. Taking the case of custom revenue as has been hinted already, the actuals for 1937-38 show a decrease of Rs 82 lakhs as compared with the revised estimates for that year. The revised estimates for the current year show a fall of Rs 367 lakhs as compared with the budget estimates and the budget estimates for 1939-40 are subject to the uncertainties of the trends of trade. Income-tax shows an increase of Rs 83 lakhs in 1937-38 and a rise of Rs 79 lakhs in the revised estimates for the current year as compared with the budget estimates. In view of this, it is only fair to urge that the Finance Member can secure a reduction of Rs 118 lakhs in civil estimates by economies, for after experiencing a large shortage in customs, it is the part of wisdom to give the nation the benefit of such reduction beforehand.

What has been said of the Central Budget as a whole is true of the Defence Budget as well! It is only in the face of unexpected increases of expenditure to the tune of Rs 216 lakhs that reductions under the normal budget are effected to the tune of Rs 116 lakhs. Even in the post and telegraphs department also savings are made only to the point of balancing the decreases in the receipts. Regret that retrenchment has not been tackled by the Government of India in a different spirit does not however deter us from acknowledging that these timely measures have reduced the deficit for the current year by Rs 265 lakhs, and that in the net result it only means that no contribution is made for the reduction of avoidance of debt

As regards the financial year 1939-40, the total revenue estimates amount to Rs 82 15 crores as compared with Rs 83 crores in the revised estimates for this year The increase of Rs 39 lakhs under customs is based on the expectation of increasing yields under petrol and machinery though it is quite possible that the foreign trade position may show a more substantial improvement and a consequent increase in revenue The estimates of central excise take credit for the increase in revenue from Khandsari sugar consequent on the removal of the word "factory" in section 2 (a) of the sugar Excise Duty Act and making the charge leviable on all the manufacturers of Khandsari sugar At the same time, the rate on excise duty on Khandsari is to be reduced from Re 1 to annas 8 per cwt But considering the shortage of sugar during this year, and the possibility of increased imports, the estimates of the duty on revenue from sugar seem to err on the side of conservatism and certain sections of the business world even wonder whether the reduction of the protective duty is under contemplation Indeed, the budget estimate of revenue from sugar suggests the question whether there is not much that is tentative in this year s budget

It may be noted that the effect of legislative and quasi-legislative changes in regard to income-tax is an increase of Rs 131 lakhs and the Provinces' share of income-tax on the basis of a Railway Contribution of Rs 213 lakhs thus comes to Rs 178 lakhs which is an improvement of Rs 66 lakhs over the revised estimates for the current year On the expenditure side, the most notable features are a defence budget which is the same as the budget estimate for the current year and a reduction of Rs 196 lakhs under interest In regard to the latter, the Finance Member appropriately pays a tribute to the policy of the Government of India which has made possible so large a saving On the basis of this revenue and expenditure the current year is expected to leave a deficit of Rs 50 lakhs for which the Finance Member proposed to double the import duty on raw cotton Thus 1939-40 was expected to leave in spite of recent vicissitudes a surplus of Rs 5 lakhs As we have said at the outset the initial feeling was one of relief but closer scrutiny can only strengthen the feeling of regret that the inauguration of responsible government at the Centre is being postponed indefinitely

COSTS OF CULTIVATION

The reports of the enquiry into the cost of production of crops in the principal sugarcane and cotton tracts in India which was issued in parts by the Imperial Council of Agricultural Research represent on the face of it just that kind of economic intelligence without which it would be impossible for popular governments to formulate wise economic policies. For it stands to reason that in a country which remains predominantly agricultural, in spite of its progress in industry, attempts at improving the standard of living of the mases must, in the first instance, be directed towards the creation of comparatively prosperous conditions amongst the cultivators of the soil. While it is true that the utmost efficiency in agriculture will not, by itself, yield enough to maintain the teeming millions of this country in comfort, it would be idle to expect that the superimposition of new industries on the slender foundations of a primitive agricultural economy will work the miracle. And it is impossible, too, that productive efficiency can be confined to industry or agriculture in a country which is endowed by nature for both alike. While the public is keenly conscious of our backwardness in industry and is, therefore, apt to regard it as the all-sufficient explanation for the poverty of the nation, it is generally apt to overlook the fact that our inefficiency is even greater in agriculture and, what is more, there are forces in our economic life which are capable of perpetuating this highly unsatisfactory state of affairs. Progress in industry can be based only on the growing efficiency of our methods of cultivation and the increase in prosperity of the agricultural classes.

While it is easy to formulate schemes for the introduction of new industries in India, and even to plan for the expansion of those in existence, the problem of increasing the efficiency of the agriculturist and his prosperity is a far more complex one. For the prosperity of our agriculturist, apart from natural factors like rainfall and other means of water supply, depends also on such immediately uncontrollable factors as the skill and outlook of the farmer, the state of the internal and foreign markets and a chaotic system of marketing. There are also the difficulties inherent in agriculture as an economic pursuit. Not to speak of India, even in advanced foreign countries like the United States of America, the State has experienced incomparably greater difficulties in coming to the aid of agriculture. To the extent that the problems of agriculture in America are the result of what may be called its over-efficiency, India may be deemed to be free from them. But the nature of the tasks remains the same and agriculture can be benefited by the State only by the cumulative effect of a number of measures all directed towards the improvement of the position of the agriculturists. To formulate these measures, it is necessary that the Governments should be in possession of reliable and full information of all facts relating to agriculture. And while the most useful to these would be those relating to actual production, the most easily available are those relating to distribution and marketing. In other words, the accessibility of facts is in inverse proportion to their usefulness. And a determined effort is, therefore necessary if the more important facts are to be ascertained and presented in appropriate form.

The report under review was first conceived by the Indian Sugar Committee and the Indian Central Cotton Committee. The former was the first to draw attention to the fact that "no reliable information was available regarding the cost of production of sugarcane in India" and to suggest that this subject should be investigated. The Committee remarked that "such an enquiry would be of value in deciding in what areas the sugar industry had the best chance of development and in what places and ways funds for research could be best allotted and would also be of importance to the sugar industry as giving accurate data concerning cost of its raw material." The Indian Central Cotton Committee also found itself equally ignorant regarding the cost of production of cotton. It is fortunate that early in the discussions of the Joint Sub-Committee of the Indian Central Cotton Committee and the Imperial Council of Agricultural Research which controlled this enquiry, it was

decided to include within its scope not only sugarcane and cotton but also all the crops grown in the areas selected for investigation The data are thus concerned with several other crops such as wheat, rice, jowar Though the enquiry does not consider a general survey of the economic position of the cultivator to fall within its scope, it throws light on what is undoubtedly the most important factor, namely, the cost of production of the crop

The methods actually followed by the enquiry are naturally of technical significance and do not need to be considered in detail in this context It should suffice that the data have been given in such detail that students of agricultural economics may choose the figures which are appropriate to their purpose, without having to regret that a different method had not been employed For, no serious student will fail to recognise that it is impossible to give one definite figure as the cost of production per maund of a particular crop The answer invariably is not a single figure but a range of figures and it should hardly be surprising that this range is wide all the world over Another complicating factor is that "in the cost of peasant production of crops, there have to be to taken into account a number of items on which there is normally no price label, such, for example, as the labour of the peasant and his family and the use of land which he may own" Different sets of conditions in regard to ownership of land, and in regard to the human and animal labour put into it, have to be taken account of And to meet all these varying instances, the enquiry has evolved the concept of the Farm Business Income which represents really not only the cash returns which the man gets out of his holdings but the living which he and his family have been able to make on account of their land, their labour and their capital The various elements entering into the cost of production are described and estimated in detail for the three and a half years which the report covers And the report thus comprises a large mass of statistical data which students with a proper bent and training should find extremely interesting The Committee naturally does not feel called upon to draw any definite conclusions as it considers that its duty was only to furnish the data An even more satisfactory reason is that their work is in fact the starting point of a number of fruitful studies which no one committee can seek to accomplish by itself It is to be hoped that economists and economic associations in India will from now take definite steps to utilise this mass of information to the tangible advantage of the cultivators

An attempt may, however, be made here to indicate in broad outlines some of the conclusions suggested by a rapid survey of the report The most striking is the relation between cost per acre and cost per maund of a given crop and the significance of high market prices to the well-being of the cultivator It stands to reason that, while the cost per acre depends on the cost of human labour, animal labour, land charges and manure and such like, the cost per maund depends on the production Inasmuch as the price of an agricultural commodity is high only in years of poor harvest, it is more than likely that such high prices coincide with high costs per maund of output and leave little or no margin of profit to the cultivator Likewise, low prices may not hit the cultivator hard, inasmuch as the bumper harvests which bring down prices also bring down costs of production per unit of output This *a priori* reasoning has been more than borne out by the figures in the table above The report points out that although cotton prices were higher in 1934-35, that was in the period covered by the report, the only year in which the cultivator of cotton made a loss In the other two years, he made a profit showing that at the price levels of those years, cotton cultivation paid with the outturns got

It would be more than we can attempt here to pursue this line of thought any further Suffice it here that the report makes available the information necessary for enabling the governments to give relief to the cultivators in respect of their costs of production It is a moot question whether in the initial stages it is easier to give relief by attempts to improve prices than by a reduction of costs Considering the wide ramifications of agricultural markets, it would appear more feasible to direct attention to the various elements which determine the cost of production The principal elements therein are human labour, bullock labour and land charges Inasmuch as the aim of economic policy should be to increase the price of human labour in the sense that higher costs of human labour are synonymous with higher standards of living, animal labour and charges in regard to land should be considered as the principal venue for reduction of costs The reform of land laws and the restriction of rents, measures on which provincial governments have already set their minds, should go a long way to reduce the cost of production per acre As pointed out already, the cost of production per maund depends on the yield per acre and here it would seem necessary to overcome what economists are prone to assume, namely, that a

bumper crop is a hardship to the agriculturists. The aim of State policy should be not only to reduce costs by increasing the yield per acre but also to improve the price of the commodity by creating and enlarging the effective demand for it.

SAMPLE ENQUIRIES

LYALLPUR DISTRICT

	Rs	A	P	Rs	A	P	Rs	A	P
	1933-34			1934-35			1935-36		
COTTON									
(Desi)									
Cost per acre									
Human labour	13	2	7	5	5	2	[illegible]	3	10
Bullock labour	11	5	1	4	0	10	3	[illegible]	11
Total including land charges	18	7	6	51	4	3	54	14	6
Income per acre	59	14	6	45	11	7	[illegible]	4	9
Profit/Loss per acre	41	7	0	(–) 5	8	8	40	6	3
Price realised per maund	4	6	11	6	2	6	6	10	10
Cost per maund including land charges	2	5	5	6	14	11	4	13	3
SUGARCANE									
Cost per acre									
Human labour	15	9	2	33	0	7	34	13	6
Bullock labour	37	0	6	23	3	7	36	8	0
Total including land charges	134	11	5	121	12	3	141	8	10
Income per acre	74	9	[illegible]	100	10	11	143	1	6
Profit/Loss per acre	(–) 60	2	3	(–) [illegible]	1	4	1	8	8
Price realised per maund	[illegible]	[illegible]	5	4	3	[illegible]	4	1	11
Cost per maund including land charges	4	[illegible]	5	4	12	0	4	1	0
WHEAT									
Cost per acre									
Human labour	3	8	1	9	1	2	9	4	3
Bullock labour	6	0	7	9	7	8	9	15	5
Total including land charges	40	8	4	60	6	2	60	12	2
Income per acre	54	12	6	64	1	3	50	5	11
Profit/Loss per acre	14	4	2	3	11	1	(–) 10	6	3
Price realised per maund	[illegible]	0	0	[illegible]	[illegible]	[illegible]	2	1	0
Cost per maund including land charges	1	12	8	1	15	[illegible]	2	10	4

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Manager

Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30		Accounts, 1930-31		Accounts, 1931-32		Accounts, 1932-33	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Principal Heads of Revenue														
Customs	46,56,84		47,36,60		46,34,42		50,30,15		45,87,37	...	45,53,17		51,02,23	
Taxes on Income	15,03,21		14,40,83		16,01,83		15,98,76		15,25,61		16,74,89		17,19,81	
Salt	5,49,85		5,36,67		6,36,67		5,49,50		5,56,80		7,42,24		8,95,84	
Opium	2,32,69		3,07,52		2,71,64		2,55,28		1,78,91		1,27,64		5,99	
Other Heads	1,60,98		1,75,00		1,62,48		1,62,25		1,39,03		1,61,45		1,27,50	
TOTAL	72,03,57		71,96,62		75,06,59		75,95,94		69,87,72		72,59,39		73,50,97	
Forest and other Capital outlay Charged to Revenue		7,88		12,58		3,62		5,13		4,02		66		2,37
Irrigation		5,25		8,33		12,85		20,02		30,73		3,72		3,76
Railways	6,01,13		6,27,83		5,23,19		6,11,86		5,78,57					
Posts and Telegraphs		5,18		47,28		74,22		81,18		1,5587		41,71		46,46
Debt Services		12,65,90		11,99,23		12,82,41		12,18,07		14,0		17,31,44		16,58,06
Civil Administration		10,27,39		10,22,09		10,42,58		11,49,32		12,36		11,23,11	1,64,26	8,82,11
Currency and Mint	3,39,40		1,89,79		2,16,71		1,99,48		27,34		1,02,52			
Civil Works		1,73,95		1,42,41		1,42,24		2,35,62		2,3547		1,96,26		1,53,79
Miscellaneous		3,86,15		3,22,85		3,16,45		3,50,02		3,34,43		2,77,24		3,30,29
Military Services		55,96,96		54,79,45		55,10,00		55,10,00		55,30,00		51,76,00		36,74,00
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments	5,13,23		2,60		2,92		3							96,05
Extraordinary Items		2,39,13	2,17,38		1,03,42		1,83,88		83,58		18,50			
GRAND TOTAL	86,57,07	86,57,07	82,34,22	82,34,22	83,52,83	83,84,37	85,96,19	85,69,36	76,72,21	88,33,66	73,80,41	85,55,14	75,15,28	85,32,95

Statement of the Receipts and Disbursements of the Central Government, in India and in England—(*Contd.*)

(In Thousands of Rupees)

Principal Heads of Revenue—	Accounts, 1933-34 Net Receipts	Accounts, 1933-34 Net Charges	Accounts, 1934-35 Net Receipts	Accounts, 1934-35 Net Charges	Accounts, 1935-36 Net Receipts	Accounts, 1935-36 Net Charges	A/c 1936-37 Net Receipts	A/c 1936-37 Net Charges	Accounts 1937-38 Net Receipts	Accounts 1937-38 Net Charges	Revised, 1938-39 Net Receipts	Revised, 1938-39 Net Charges	Budget 1939-40 Net Receipts	Budget 1939-40 Net Charges
Customs	46,17,85		52,67,42		52,24,87		51 44,67		43,10 75	1,09,20	40,14,00	1,20,90	40,65,00	84,17
Taxes on Income	16,30,36		17,54,52		17,07,39		15,33,51		12,69 85	66,30	12,67,00	67,48	12,88,00	71,29
Salt	7,70,91		8,00,01		8,42,80		8,81,36		8,38 77	1,06 20	8,33,00	1,06,12	8,35,00	1,01,79
Opium	88,15		71,95		61,10		47,66		50,76	24,48	52,54	25,61	49 15	25,63
Other Heads	1,25,49		1,91,54		1,05,98		96,64		10,51,62	67,26	11,13,03	1,05,02	11,17,36	1 07 23
TOTAL	72,32,76		80,85,42		79,42,14		77,03 84	4,24,40	75,21,75	3,73 44	72 79,57	4,25,13	73,54,51	3,90,11
Forest and other Capital outlay charged to Revenue		89		1,67		50		80		—3 06		18		54
Irrigation		3,99		5,99	311	5,06	—5,65	9,79	1,86	10,54	1,47	10,26	77	9,78
Railways				32,36,84	31,97,90	31,97 90	31,50,31	31,50,31	32 65,58	29,89,93	31,96,98	29,92,05	31,75,66	29,62 26
Posts and Telegraphs		56,67	44,96		79,85	80,05	93,36	82,39	1,29 08	75,55	74,73	78,81	75,34	78,02
Debt Services		16,65,74		13,25,11	86,48	13 49,85	40,29	12,55,68	58,51	14,99,95	68,21	14,38,46	63,23	12,65,66
Civil Administration		8,77,40		11,10,44	91,94	10,58 92	96,40	11,27,33	1 04,29	10,43,68	1,02,37	10,94,20	1,03,77	11,04,14
Currency and Mint	74,11	..	74,55		1,16,90	42,16	1,18,71	37,71	75,08	37,30	48,64	36,30	67,22	35,09
Civil Works		1,71,30		2,42,23	28,68	2,18,83	30,53	2,52,10	31,62	3,50,24	32,15	2,59,94	30,97	2,78,28
Miscellaneous		3,42,31		4 39,77	1,36,34	8 37 22	1,70,75	3,05,05	1,41,38	3,91,01	1,56,47	3,69,52	1,39,65	3,52,21
Defence Services		44,42,48	5,30,02	49 64,23	52,0,58	50 18,53	5 22,26	50 67,26	5,25,38	52,60,20	5,90,54	52,08,54	8,75,26	53,93,26
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments		1,06,00		2 97,73		1,19 52		2,77 91		3,15,90		3 06 44		3,05,78
Extraordinary Items		2,46,09		2,84,90	2		67	19 23	3,93,47	3,32	4,05,63	1 68	2,95,57	1,67
GRAND TOTAL	73,06,87	73,06,87	1,25,10,18	1,25,10,18	1,22 01 09	1,22 01,09	1,19 21,47	1 21,00,19	1,22 48,00	1 22,48,00	1,19,56 76	1 22,21,51	1,21 81,95	1,21,76,80

Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	Accounts, 1927-28 Net Receipts	Accounts, 1927-28 Net Charges	Accounts, 1928-29 Net Receipts	Accounts, 1928-29 Net Charges	Accounts, 1929-30 Net Receipts	Accounts, 1929-30 Net Charges	Accounts, 1930-31 Net Receipts	Accounts, 1930-31 Net Charges	Accounts, 1931-32 Net Receipts	Accounts, 1931-32 Net Charges	Accounts, 1932-33 Net Receipts	Accounts, 1932-33 Net Charges
Surplus or Deficit				31,54	26,83			11,58,45		11,74,73	1,55,19	
Capital Accounts—												
Capital outlay on Security Press		-9,77		—4,76		23		4,02		—3,82		
Railway Capital not Charged to Revenue		33,14,99	15	29,35,07	2,44	30,18,34		18,20,87		6,75,63		—72,57
Payment for discharge of Railway Debentures								27				
Construction of Irrigation Works		7		36		2,99		—3,68				
Capital outlay on Posts and Telegraphs		46,88		53,33		33,07		38,73		9		
Capital outlay on Vizagapatam Port		29,05		29,23		35,75		—13		87,92		14,82
Capital outlay on Lighthouses and Light Ships						13		1,35		36,68		52,42
Currency Capital outlay		12,95				69						
Initial Expenditure on New Capital at Delhi		46,58		3,37		72,72		48,27		—6		-3,83
Payment of commuted value of Pensions		44,26		36,65		38,30		42,66		1,461		
Capital outlay on Bombay Land Scheme		20,74		36,09		38,09		2,10,37		42,32		78,89
Payments to Retrenched Personnel												
Debt Deposits Advances and Remittances—												
Permanent Debt	4,38,88		28,01,91		20,39,57		46,97,54			1,45		12,63
Floating Debt		1,94,60	3,62,25		30,10,65			6,59,86		47,89	22,71,74	
Unfunded Debt	11,86,63		8,40,95		13,04,22				40,03,76			45,12,65
Deposits and Advances	12,89,97		3,17,90			2,31,63	5,78,41	9,56,15	10,18,08		20,09,74	
Loans and Advances by Central Government		7,77,48		12,72,24		7,20,11		10,97,02		4,83,61	50,96	6,91,63
Loans between Central and Provincial Governments												66,90
Remittances	19,22		75,66			51,12	6,15			12,63,48		
Balances of Provincial Governments		4,78		56,84		3,70,76		7,07,63		1,22,07	2,59,82	
Opening Balance	32,18,88		16,70,97		16,19,83		34,27,91		24 68,67	1,59,68	33,84,43	
Closing Balance		16,70,97		16,19,83		34,27,91		24,68,67		33,84,43		27,78,83
TOTAL	61,53,58	61,53,58	60,69,79	60,69,79	80,03,54	80,03,54	78,10,54	87,10,01	74,90,51	74,90,51	81,31,88	81,31,88

Abstract Statement of the Receipts and Disbursements of the Central Goverment, in India and in England—(*Contd.*)

(In Thousands of Rupees)

	Accounts 1933-34 Net Receipts	Accounts 1933-34 Net Charges	Accounts 1934-35 Net Receipts	Accounts 1934-35 Net Charges	Accounts 1935-36 Net Receipts	Accounts 1935-36 Net Charges	Accounts 1936-37 Net Receipts	Accounts 1936-37 Net Charges	Accounts 1937-38 Net Receipts	Accounts 1937-38 Net Charges	Revised 1938-39 Net Receipts	Revised 1938-39 Net Charges	Budget 1939-40 Net Receipts	Budget 1939-40 Net Charges
Surplus or Deficit			36,00					1,78,72			9,25,	2,64,75	5,15	
Capital Accounts—														
Capital outlay on Security Press		—9,01	...	1,12		—90		—3		—82				
Capital outlay not charged to Revenue		—1,81,49		68,70			.			44				
Payment for discharge of Railway Debentures					.	2,61,29		1,67,06		2,46,62		5,53,78		47,50
Capital outlay on Agricultural improvement and Research			.					116		86		—7,23		
Construction of Agricultural Works						20,31		10,13						
Capital outlay on Posts and Telegraphs		5,38		32,87		39,24		46,51		40,09		2,70 03		18,34
Capital outlay on Vizagtiam Port		51,02		14,71		5,15		2,08		—30		10		9
Capital outlay on Light houses and Light Ships						5,18,28								
Currency Capital outlay		—4,14		51		37,77		−1,23		−1				
Initial Expenditure on New Capital at Delhi		9,10		72,13		47,11		20,65		28,14		10,40		7
Payment of commuted value of pensions		82,99		59,38				44,20		21 85				—10,28
Capital outlay on Bombay Land Scheme						2,63						−6 81		
Payment to Retrenched Personal		2,94		−1,08		22,06,66		−4,71		−8,61				
Debt Deposits Advances and Remittances—														
Permanent Debt		4,90,80	3,81,09			22,21,25		13,53 31		5,90,42				3 16 45
Floating Debt		2,33,50		4,89,45	15 50 53			3,59,25	9,46,75		6,70,00	8,38,04		6,00,00
Unfunded Debt	22,81,07		14,52,71		23 60 51		12 01 15			57,04			− 17,84	
Deposits and Advances		9,64,67		6,27,91	10 02		11 02,67			4,52,01		41,87		2,98,19
Railway Depreciation and Reserve fund as pere Railway Budget net							6,50,28		4 59,12		5,04 36	1,40 86	6,33 00	
Loans and Advances by Central Government		2,28,56		2,10,09		[illegible],02,77	.	34,40	4,02 12		2,56,05		1 66,56	
Loans between Central and Provincial Governments													2,35	
Remittances	62,95			9 33			88,36	4,24,45		1,12,73				
Balances of Provincial Governments	25,23			1 54,89	1,80,10	37 31						1,12		
Opening Balance	27,78,38		32 76,48		37,20,38		15,27,47		8 63,66		11,31,19		9,47,23	
Closing Balance		32,76,48		37,20 37	..	15,27 48		21,36 03		11,31,19		9,47,23		8,74 27
TOTAL	51,47,58	51,47,58	53,01,33	53,01,53	75,21,75	48,21,54	45,69,93	45,69,93	26,71,65	26,71 65	25,61,60	25,61,60	25,72,13	25,72,13

Revenue—Government of Madras Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938 39
Taxes on Income	5,94	5,48	7,27	6,75							24,45	20,55
Land Revenue	6,23,77	5,24,89	5,21,06	4,88,62	5,32,73	5,02,57	6,93,84	7,15,41	4,94,64	4,75,86	4,99,71	4,99,21
Excise	5,34,37	5,58,76	5,92,26	5,24,28	4,25,80	4,26,96	4,28,83	4,23,12	4,08,26	3,95,58	4,02,68	3,88,93
Stamps	2,50,11	2,51,17	2,50,92	2,34,71	2,34,93	2,41,58	2,28,11	2,17,11	2,08,18	1,95,08	1,89,02	1,86,01
Forest	53,44	61,55	63,56	52,69	45,32	49,72	41,58	44,34	44,97	48,29	56,98	45,08
Registration	39,06	34,12	35,58	31,30	30,73	33,49	31,15	31,93	31,15	30,69	33,75	37,03
Scheduled Taxes									42,61	49,69	57,97	57,74
TOTAL	15,06,69	14,35,97	14,70,65	13,38,35	12,69,51	12,54,32	14,23,01	14,31,91	12,29,81	11,95,19	12,58,56	12,34,55
Railways												
Irrigation	86,62	1,83,41	1,88,65	1,86,01	1,91,62	2,09,07	7,82	8,17	2,15,66	2,16,10	1,84,41	1,88,35
Interest Receipts	25,17	34,27	40,88	42,52	30,76	29,66	33,42	25,07	21,84	25,19	19,73	20,88
Civil Administration	63,78	68,62	74,94	72,17	98,02	1,08,36	1,01,29	1,14,14	78,49	79,33	81,54	81,35
Civil Works	9,25	13,06	11,52	24,89	22,46	20,55	21,84	24,56	20,95	37,35	42,19	48,54
Miscellaneous	13,85	17,69	22,13	19,95	17,48	18,27	15,63	15,96	37,47	23,56	26,61	24,54
Contribution to the Central Government by Provincial Government												
Miscellaneous adjustment between Central and Provincial Governments (net)	—5,51											
Extraordinary Receipts												
Transfers from Revenue Reserve Fund												
Total Revenue in India	16,99,85	17,53,02	18,08,77	16,83,89	16,29,85	16,40,23	16,03,01	16,19,81	16,04,22	15,76,72	16,13,04	15,98,21
Revenue in England with Exchange	1	9	10	4	3	2	4					
TOTAL REVENUE	16,99,86	17,53,11	18,08,87	16,83,93	16,29,88	16,40,25	16,03,05	16,19 81	16,04,24	15,76,72	16,13,04	15,98,21

Expenditure—Government of Madras Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Account 1936-37	Revised 1937-38	Budget 1938-39
Income-Tax												
Land Revenue	39,16	30,73	28,39	28,45	25,51	19,89	19,83	19,66	29,69	28,15	26,85	24,72
Excise	42,96	43,67	45,19	46,38	36,57	33,24	32,94	33,31	35,20	33,15	32,79	32,63
Stamps	6,25	6,71	7,67	5,96	6,06	6,68	5,71	6,13	5,82	5,38	5,18	5,18
Forests	42,31	41,89	43,81	42,50	38,36	38,59	35,21	34,69	40,90	40,66	41,10	40,88
Registration	26,34	27,04	29,08	29,51	28,17	26,67	28,65	29,19	29,66	28,92	29,39	29,76
Scheduled Taxes									35 90	41,87	47,49	47,35
TOTAL	1,57,02	1,50,04	1,54,14	1,52,80	1,34,67	1,25,07	1,22,34	1,22,98	1,77,17	1,78,13	1,82,80	1,80,52
Forest and other Capital outlay charged to Revn	5,38	4,77	4,31	4,27	2,98	6,43	6,51	6,15				
Railways												
Irrigation	97,34	1,05,82	1,23,71	1,27,47	1,32,18	1,26,88	92,89	99,78	1,25,62	1,25,84	1,29,58	1,23,05
Debt Services	53,68	58,06	39,33	21,30	17,45	11,56	97,44	95,25	5,58	1,57	−41,67	−30,00
Civil Administration	9,24,80	10,08,48	10,45,41	11,06,95	10,16,16	9,83,68	10,04,26	10,26,26	10,27,84	10,19,91	10,46,23	10,59,78
Civil Works	1,40,27	1,58,73	1,82,04	2,34,92	1,89,43	1,58,09	1,44,32	1,24,75	1,31,66	1,35,57	1,47,58	1,42,68
Miscellaneous	78,15	83,07	86,93	95,43	88,83	1,13,00	89,40	90,14	1,31,50	1,35,03	1,30,80	1,22,06
Extraordinary Items											15,00	
Total Expenditure in India	14,56,64	15,68,77	16,35,87	17,43,14	15,81,70	15,24,71	15,57,16	15,65,31	15,99,37	15,96,05	16,10,35	15,98,09
Expenditure in England with Exchange	41,49	45,20	48,91	46,55	42,77	38,33	39,65	43,57				
TOTAL EXPENDITURE	14,98,13	16,13,97	16,84,78	17,89,69	16,24,47	15,63,04	15,96,81	16,08,88	15,99,37	15,96,05	16,10,35	15,08,09

Revenue—Government of Bombay Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised 1937-38	Budget 1938-39
Taxes on Income											27,00	25,00
Salt					17	19	7	4	3	2	2	1
Land Revenue	5,23,19	4,84,68	4,79,63	4,74,45	5,01,34	4,71,24	3,85,10	3,40,86	3,74,35	3,44,32	3,18,98	3,39,84
Excise	3,96,21	3,92,26	4,07,89	3,04,35	3,26,55	3,50,85	3,64,37	3,12,13	3,33,47	3,25,29	3,24,00	2,98,00
Stamps	1,75,40	1,68,39	1,77,15	1,58,06	1,50,28	1,58,96	1,56,35	1,39,52	1,42,77	1,46,99	1,50,00	1,42,50
Forest	72,94	73,43	79,75	52,24	56,74	59,71	54,30	48,31	52,10	47,72	43'50	40,38
Registration	11,82	11,75	12,33	10,89	11,36	12,54	16,21	14,59	15,58	15,05	15,03	15,03
Scheduled Taxes	21,20	21,52	20,21	16,39	19,19	18,77	19,05	58,20	59,25	89,72	90,12	89,42
TOTAL	12,00,76	11,52,03	11,76,87	10,16,38	10,65,63	10,72,06	9,95,45	9,13,65	9,77,55	9,69,11	9,68,65	9,50,18
Railways												
Irrigation	42,94	65,72	46,80	33,12	58,40	71,73	67,76	22,16	18,38	20,06	23,86	23,98
Interest Receipts	1,58,27	1,51,52	1,45,86	1,47,23	1,44,87	1,47,69	1,38,77	1,38,87		93,34	72,90	73 15
Civil Administration	56,04	76,91	82,51	89,77	95,49	1,00,83	1,04,07	81,67	87,37	89,56	89,73	89,28
Civil Works	34,70	38,71	52,93	53,06	72,53	62,04	60,81	42,44	37,25	38,82	53,74	51,96
Miscellaneous	33,82	38,87	82,93	33,92	35,43	44,99	60,46	16,16	15,50	17,77	21,40	20,06
Contribution to the Central Government by Provincial Governments												
Miscellaneous adjustments between Central and Provincial Governments (net)	4	−4,00	−4									
Extraordinary Receipts	7,91	1,96	3,56	7,06	9,60	25,75	33,34	4,41	29,39	12,74	54	42
Transfer from Revenue Reserve Fund												
Total Revenue in India	15,34,48	15,21,72	15,91,42	13,80,54	14,81,95	15,25,09	14,60,68	12,29,36	11,65,44	12,41,20	12,30,82	12,09,03
Revenue in England with Exchange		2	11	32	9	8	6					
TOTAL REVENUE	15,34,48	15,21,74	15,91,53	13,80,86	14,82,04	15,25,17	14,60,74	12,29,36	11,65,44	12,41,20	12,30,82	12,09,03

Expenditure—Government of Bombay Since 1927-28
(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Revised* 1937-38	Budget* 1938-39
Income-Tax												
Land Revenue	66,48	64,77	66,08	64,93	69,86	66,76	62,84	46,15	46,79	46,93	46,74	65,78
Excise	47,94	46,32	44,25	41,68	39,61	46,78	48,16	42,54	39,88	41,49	40,08	41,27
Stamps	1,32	2,67	2,65	2,42	2,34	2,42	2,26	1,87	1,85	1,98	2,02	1,97
Forest	40,58	41,25	43,27	40,65	40 06	35,13	32,14	26,25	29,15	29,01	27,36	27,02
Registration	6,53	6,55	6,64	6,38	6,29	6,02	6,06	5,44	5,59	5,68	5,66	5,61
Scheduled Taxes	20	20	21	21	31	24	29	17,10	15,68	35,10	35,28	30,59
TOTAL	1,63,05	1,61,76	1,63,10	1,56,27	1,58,47	1,56,35	1,51,75	1,41,35	1,38,94	1,60,19	1,57,14	1 72,24
Forest and other Capital outlay Charged to Revenue	2,43	2,33	2,22	1,76	58	1,10	64					
Railways												
Irrigation	1,05,20	99,05	1,12,24	99,73	86,04	1,07,66	1,40,03	5,24	5,15	48,20	55,53	66,30
Debt Services	2,25,38	2,18,31	2,13,73	1,89,28	2,30,51	2,29,23	2,29,67			1,62,45	1,25,59	1,26,40
Civil Administration	7,85,77	8,05,22	8,26,10	8,33,65	8,05,31	7,50,39	6,59,34	5,65,49	5,76,28	5,90,76	6,09,40	6,22,04
Civil Works	1,47,35	1,45,96	1,40,26	1,54,41	1,13,32	93,40	92,62	81,47	89,24	1,10,88	1,29,21	1,19,07
Miscellaneous	96,58	80,60	82,63	87,42	93,76	1,18,05	1,24,91	1,16,01	1,21,45	1,28,42	1,43,10	1,43,75
Extraordinary Items					2	3,24	2,75	1,25	30	17	23	4
Total Expenditure in India	15,25,76	15,13,28	15,40,28	15,22,52	14,88,31	14,59,42	14,01,71	9,00,81	9,31,36	12,01,07	12,20,20	12,49,84
Expenditure in England with Exchange	37,50	42,37	40,52	39,39	41,08	39,53	42,02	36,11				
TOTAL EXPENDITURE	15,63,26	15,55,60	15,80 80	15,61,91	15,29,39	14,98,95	14,43,73	9,36,92	9,31,36	12,01,07	12,20,20	12,49,84

* Excludes the province of Sind

Revenue—Government of Bengal Since 1928-29

(In Thousands of Rupees)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Customs										2,37,81	2,30,00	2,30,00
Taxes on Income										25,00	30,60	32,20
Salt				5,87	6,04	2,12	1,19	96	55	57	12	
Land Revenue	3,26,76	3,24,74	3,08,93	3,06,22	3,00,06	3,21,14	3,43,85	3,43,29	3,54,00	3,53,03	3,19,00	3,93,63
Excise	2,24,91	2,26,25	1,80,16	1,56,00	1,40,32	1,34,06	1,33,65	1,33,73	1,36,37	1,04,56	1,57,00	1,57,00
Stamps	3,54,88	3,91,97	3,12,96	2,71,09	3,13,01	2,87,14	2,86,03	2,95,94	3,02,35	2,87,35	2,51,00	2,56,00
Forest	31,18	30,52	23,12	16,94	15,12	15,03	17,82	20,10	18,36	21,54	22,02	21,85
Registration	39,94	31,69	23,72	19,33	18,47	19,67	22,43	23,70	23,97	22,86	22,00	22,00
Scheduled Taxes	16,99	16,29	13,00	13,04	11,30	11,22	13,77	14,71	16,89	60,25	59,26	58,71
Total	9,94,66	10,21,46	8,61,88	7,87,99	8,04,32	7,90,38	8,21,74	8,32,43	8,52,49	11,62,93	10,91,00	11,71,39
Railways	1,02	1,19	92	76	81	28		53	37	15	14	14
Irrigation	—1,19	−2,65	−2,09	−53	−2,30	−1,33	−3,13	16	—31	—2,04	1,79	1,72
Interest Receipts	6,24	6,13	4,67	4,30	6,18	5 42	6,83	5,57	7,20	8,51	30,75	31,84
Civil Administration	77,35	82,41	71,53	75,24	87,66	84,07	90,27	95,18	94,36	66,88	94,48	1,08,54
Civil Works	5,54	5,25	10,36	17,35	15,76	12,49	13,77	16,69	20,90	27,97	31,10	37,59
Miscellaneous	12,90	17,04	16,48	15,31	21,44	13,61	11,63	26,98	47,23	19,99	20,86	26,16
Contribution to the Central Government by Provincial Govts											34	34
Miscellaneous adjustments between Central and Provincial Govts					2,14		1,59,68	1,68,78	1,92,03			
Extraordinary Receipts	49	5,06	2,17	58	2,10	85	1,92	1,13	10	1,39	83	4
Transfer from Revenue Reserve Fund												
Total Revenue in India	10,97,01	11,35,89	9,65,92	9,01,00	9,38,11	9,05,77	11,02,71	11,47,45	12,14,37	12,85,78	12,71,29	13,77,76
Revenue in England with Exchange	1,66	−2	35	6	−7	−4	+2	2	2			
TOTAL REVENUE	10,98,67	11,35,87	9,66,27	9,01,06	9,38,04	9,05,73	11,02,73	11,47,47	12,14,39	12,85,78	12,71,29	13,77,76

Expenditure—Government of Bengal Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Accounts 1937-38	Revised 1938-39	Budget 1939-40
Income- Tax													
Land Revenue	38,45	46,73	45'09	45,36	41,24	37,76	37,33	39,03	36,79	35,43	33,18	31,50	30,66
Excise	23,8	22 93	22,26	21,80	19,55	17,00	17,54	16,60	17,88	18,84	19,40	20,55	22,02
Stamps	8,93	9,00	6,23	5,23	4,10	4,61	4,30	4,88	4,80	4,79	4,62	4,21	4,33
Forest	14,40	15,48	15,47	15,17	14,96	14,48	14,42	14,90	15,47	14,92	15,64	16,91	17,68
Registration	20,71	20,25	22,13	19,95	18,94	17,47	17,51	17,70	18,48	19,07	18,86	20,72	23,15
Schedule Taxes	15	15	15	16	15	15	5	5	11	8	4,93	4,83	5,92
TOTAL ...	1,06,51	1,14,84	1,11,33	1,07,67	98,94	91,47	91,15	93,16	93,53	93,13	96,63	98,72	1,03,76
Forest and other Capital outlay charged to Revenue	2,62	1,04	1,17	78	1,64	61							
Railways													
Irrigation	35,17	36,92	34,13	30,73	29,02	28,75	31,07	33,12	33,74	31,36	33,45	40,99	44,75
Debt Services	−7,17	−7,92	−1,68	23	1,10	13,49	10,22	16,04	26,83	28,15	−7,44	15,84	19,11
Civil Administration	7,09,72	7,29,86	7,54,92	7,73,99	7,50,18	7,24,12	7,39,28	7,39,63	7,61,07	7,65,72	8,01,98	8,35,34	8,94,23
Civil Works	1,01,06	97,32	94,54	1,01 19	88,43	76,25	76,20	80,24	86,72	93,18	1,20,01	1,35,62	1,59,28
Miscellaneous	97,74	80,57	97,53	84,59	89,26	91,89	93,87	1,01,42	1,07,17	1,18,17	1,39,45	1,54,34	2,32,43
Extraordinary Items								2,50			8,74	12,16	11,00
Total Expenditure in India	10,45,65	10,52,63	10,91,94	10,99,18	10,58,57	10,27,58	10,41,79	10,66,11	11,09,06	11,29,71	11,92,82	12,93,01	14,64 56
Expenditure in England with Exehangc	39,92	37,84	41,70	41,61	41,95	40,25	39,87	41,90	42,11	44,45			
TOTAL EXPENDITURE	10,85,57	10,90,47	11,33,64	11,40,79	11,00,52	10,67,83	10,81,66	11,08,01	11,51,17	11,74,16	11,92,82	12,93,01	14,64,56

Revenue—Government of the United Provinces Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Taxes on Income			71	1,40							18,75	23,00	26,20
Salt					9	10	3	2					
Land Revenue	6,92,56	6,04,38	6,85,33	6,47,99	6,12,41	5,70,76	5,58,23	5,85,96	5,87,84	5,64,69	5 87,40	5,85,01	6,05,03
Excise	1,40,97	1,30,86	1,30,35	1,12,22	1,08,23	1,22,29	1,30,92	1,33,76	1,40,68	1 52,78	1,45,46	1,36,25	1,15,94
Stamps	1,71,37	1,72,70	1,80,65	1,69,67	1,65,96	1,85,44	1,74,97	1,60,47	1,49,70	1,62,59	1,37,89	1,32,00	1,44,00
Forest	66,08	61,80	61,80	49,76	45,32	45,98	45,19	49,02	48,55	44,36	50,03	50,30	50,02
Registration	12,92	13,54	13,77	11,98	11,39	13,26	11,86	11,08	10,47	10,34	9,39	9,00	9,50
Scheduled Taxes									2	1	12,97	47,16	64,48
TOTAL	10,83,90	9,83,28	10,72,61	9,93,02	9,43,40	9,37,83	9,21,20	9,40,31	9,37,26	9,34,78	9,61,89	9,82,72	10,15,17
Railways	2,23	1,87	1,85	1,45	86	1,00	1,29	1,13	70	1,04	1,84	1,60	1,50
Irrigation	97,88	84,99	1,27,36	1,09,71	97,61	1,29,13	1,20,75	1,10,02	1,55,89	1,51,85	1,40,93	1,81,36	1,62,76
Interest Receipts	11,76	10,29	16,92	15,26	13,33	12,64	12,21	12,68	12,06	11,93	11,55	12,27	12,27
Civil Administration	47,70	46,65	48,47	49,77	46,46	44,12	44,04	44,36	47,83	51,67	55,84	67,55	82,95
Civil Works	3,84	3,45	3,28	6,78	5,69	3,99	5,29	6,97	17,63	22,15	12,74	12,69	14,16
Miscellaneous	38,06	14,25	27,85	20,28	13,96	16,35	18,85	14,60	16,60	18,58	23,24	24,69	17,53
Contribution to the Central Government by Provincial Governments													
Miscellaneous adjustments between Central and Provincial Governments	67										25,00	25,10	25,10
Extraordinary Receipts Transfers from Revenue Reserve Fund	36								..				
Total Revenue in India	12,86,40	11,44,78	12,98,34	11,96,27	11,21,31	11,45,06	11,23,63	11,30,07	11,87,97	11,92,00	12,33,03	13,07,98	13,31,45
Revenue in England with Exchange	−2	37	27	46	35	15		14	17				
TOTAL REVENUE	12,86,38	11,45,15	12,98,61	11,96,73	11,21,66	11,45,21	11,23,63	11,30,21	11,88,14	11,92,00	12,33,03	13,07,98	13,31,45

Expenditure—Government of the United Provinces Since 1928-29

(In Thousands of Rupees)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1937-38	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax													
Salt													
Land Revenue	90,61	92,62	95,52	88,16	73,89	74,23	73,35	73,79	84,12	90,02	88,88	91,43	7,50
Excise	13,41	13,26	12,81	11,30	10,76	11,53	11,45	11,80	11,87	11,82	11,74	12,66	13,44
Stamps	3,75	3,41	3,24	3,13	3,03	2,99	2,89	2,61	2,70	2,73	2,28	2,35	2,48
Forests	31,42	32,53	32,02	27,11	25,98	26,42	27,18	27,55	29,40	28,91	28,55	30,44	30,44
Registration	4,90	4,97	4,96	4,68	4,31	4,52	4,54	4,61	4,77	4,75	4,71	4,62	4,63
Scheduled Taxes										10,02	10,06	11,81	12,51
TOTAL	1,44,09	1,46,79	1,48,55	1,34,38	1,17,97	1,19,69	1,19,41	1,20,36	1,32,86	1,48,25	1,46,22	1,53,31	1,61,00
Forest and other Capital outlay charged to Revenue	1,01	1,34	74	17	7	7	22	28					
Railways	13	13	13	8	8	8	7	7	7	6	5	5	5
Irrigation	1,05,07	94,12	1,02,80	1,05,47	1,07,52	1,07,11	1,06,92	1,06,82	1,06,81	1,13,74	1,10,95	1,12,52	1,16,12
Debt Services	62,28	66,75	89,86	77,31	82,21	50,54	46,14	45,26	61,52	58,54	59,77	62,70	71,34
Civil Administration	7,23,30	7,44,56	7,41,69	6,92,80	6,52,99	6,70,17	6,84,80	7,03,25	7,34,31	7,34,85	7,27,43	7,71,38	8,22,88
Civil Works	70,32	50,02	65,64	37,94	44,39	47,28	52,45	62,24	69,29	62,51	60,55	62,12	62,94
Miscellaneous	82,95	88,41	92,37	91,56	84,49	88,60	89,47	89,61	1,24,15	1,28,51	1,28,32	1,30,89	1,35,06
Extraordinary Items						58	1,16	66	25	3			
Total Expenditure in India	11,89,15	11,92,12	12,41,78	11,39,71	10,89,72	10,84,12	11,00,64	11,28,55	12,29,26	12,46,50	12,33,30	12,92,98	13,69,38
Expenditure in England with Exchange ..	39,34	41.08	45,99	43,98	40,21	42,63	42,16	42,26					
TOTAL EXPENDITURE	12,28,49	12,33,20	12,87,77	11,83,69	11,29,93	11,26,75	11,42,80	11,70,81	12,29,26	12,66,50	12,33,30	12,92,98	13,69,38

Revenue—Bihar and Orissa Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	Revised* 1938-39	Budget* 1939-40
Taxes on Income	3,20	4,74	4,49	3,14	2,13	1,22	1,32	29			12,50	15,30	36,10
Salt					2,84	2,19	1,12	62	51	27	28	6	
Land Revenue	1,68,66	1,73,98	1,77,83	1,80,04	1,76,09	1,80,85	1,77,03	1,82,67	1,78,93	1,36,14	1,36,78	1,31,00	1,31,50
Excise	1,96,40	1,89,27	1,90,82	1,42,09	1,22,07	1,20,01	1,23,79	1,39,38	1,43,73	1,16,10	1,21,99	1,16,00	1,03,50
Stamps	1,09,75	1,10,36	1,11,34	1,07,80	1,05,73	1,06,57	1,06,48	1,13,24	1,16,99	97,34	1,01,47	1,04,00	1,05,00
Forest	9,39	10,97	9,39	8,11	6,28	6,19	6,85	8,11	7,32	5,65	7,01	7,50	7,18
Registration	16,74	17,03	17,08	14,54	13,30	12,66	12,58	14,29	14,50	12,69	13,25	12,40	12,40
Scheduled Taxes									32	11,74	13,94	16,64	15,14
TOTAL	5,04,14	5,06,35	5,10,95	4,55,72	4,28,44	4,30,69	4,29,17	4,58,60	4,62,80	3,79,93	4,07,22	4,02,90	4,10,82
Railway													
Irrigation	22,44	20,92	17,91	17,68	21,42	22,93	20,70	24,82	22,70	21,95	18,67	17,75	18 28
Interest Receipts	7,29	7,72	7,56	5,92	5,32	5,16	4,65	4,61	6,17	6,96	18,43	18,55	17,57
Civil Administration	24,20	210	31,42	28,76	28,26	29,19	25,73	27,10	31,07	31,97	40,32	56,73	60,28
Civil Works	8,21	6,46	6,46	6,86	8,78	10,65	9,16	9,72	10,62	10,39	8,35	12,34	19,70
Miscellaneous	5,65	7,33	20,25	10,85	27,03	7,20	7,16	7,36	7,61	6,73	10,27	12,84	11,61
Contribution to the Central Government by Provincial Governments													
Miscellaneous adjustment between Central and Provincial Governments	51							10,58	11,18			16	16
Extraordinary Receipts				1,58				3,12					
Transfer from Revenue Reserve Fund													
Total Revenue in India	5,72,44	5,77,88	5,94,55	5,27,37	5,19,25	5,05,82	4,96,57	5,45,91	5,51,65	4,57,93	5,03,27	5,19,27	5,38,42
Revenue in England with Exchange	−2	34	−1	22	22	1							
TOTAL REVENUE	5,72,42	5,78,22	5,94,54	5,27,59	5,19,47	5,05,83	4,96,57	5,45,91	5,51,65	4,57,93	5,03,27	5,19,27	5,38,42

* For Bihar only Separation of Orissa

Expenditure—Bihar and Orissa Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	Revised* 1938-39	Budget* 1939-40
Income Tax												12	25
Salt								1	1				
Land Revenue	23,34	27,50	25,72	24,63	21,80	18,99	17,14	16,20	14,71	11,20	11,40	11,99	10,18
Excise	19,16	18,03	18,33	18,14	15,41	14,45	14,62	16,51	17,06	12,81	12,56	13,00	12,85
Stamps	3,18	3,39	2,53	2,39	2,17	2,02	1,92	2,07	2,05	1,73	1,93	2,08	2,08
Forests	6,63	7,19	7,62	7,34	7,01	6,17	6,88	6,54	7,98	5,20	5,69	6,02	6,35
Registration	6,24	6,23	6,49	6,41	6,18	5,71	6,00	6,12	6,44	5,44	5,69	5,76	5,86
Scheduled Taxes									31	27	28	35	28
TOTAL	58 55	62,34	60,69	58,91	52,57	47,34	46,56	47,45	48,56	36,65	37,55	38,72	37,85
Forest and other Capital outl charged to Revenue	1,29	1,32	1,40	1,51	62	15	17			1,64			
Railways													
Irrigation	27,41	25,76	23,49	25,47	25,94	24,41	24,07	25,57	23,98	12,76	14,83	13,79	18,55
Debt Services	1,93	1,28	1,82	1,99	1,95	2,20	2,00	2,76	10,25	5,87	5,85	5,99	6,24
Civil Administration	3,53,35	3,62,66	3,78,84	3,80,88	3,45,50	3,27,54	3,48,09	3,53,06	3,70,09	3,23,42	3,34,58	3,46,92	3,62,98
Civil Works	84,32	76,42	85,63	80,25	56,07	42,20	38,47	44,96	51,96	44,30	47,18	43,63	49,11
Miscellaneuos	37,79	32,47	34,12	32,79	36,42	34,24	25,23	52,07	53,85	51,31	55,32	55,13	62,94
Extraordinary Items					1	18	23	20	7	7			
Total Expenditure in India	5,64,54	5,62,25	5,85,99	5,81,80	5,19,08	4,78,26	5,04,82	5,26,07	5,58,76	4,76,02	4,95,31	5,04,18	5,37,67
Expenditure in England with Exchange	22,57	23,02	22,43	24,33	23,46	22,22	21,64	22,16					
TOTAL EXPENDITURE	5,87,11	5,85,27	6,08,42	6,06,13	5,42,54	5,00,48	5,26 46	5,48,23	5,58,76	4,76,02	4,95,31	5,04,18	5,37,67

* For Bihar only Separation of Orissa

Revenue—Government of Burma Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	Revised 1938-39	Budget 1939-40
Taxes on Income	14,93	12,90	11,40	10,36	3,58						1,59,43	1,60,61	1,50,03
Salt					4,89	4,66	2,05	1,68	1,73	1,80			
Land Revenue ..	5,35,62	5,40,38	5,27,73	2,82,77	5,75,85	3,87,58	4,77,14	4,95,17	5,14,44	4,91,90	4,12,25	5,09,24	4,93,01
Excise	1,23,68	1,33,37	1,26,94	1,07,48	80,29	84,57	80,20	85,08	88,68	89,08	2,33,74	2,23,06	2,40,63
Stamps	70,05	70,65	69,34	59,48	59,11	53,36	46,12	42,18	40,91	40,89	39,89	36,49	32,64
Forest	2,07,88	1,60,75	1,87,82	1,44,07	1,06,41	87,46	80,00	1,14,45	1,33,09	1,07,24	1,60,40	1,50,00	1,41,56
Registration	7,02	6,48	6,40	6,42	7,01	5,02	3,94	3,38	3,18	309	3,07	3,25	2,79
Scheduled Taxes		4,57	4,15	3,06	10,95	10,77	10,03	10,79	14,43	13,64	4,31,21	3,89,35	3,76,32
TOTAL	9,59,18	9,28,40	9,33,78	6,13,64	8,48,09	6,33,42	6,99,48	7,52,73	7,96 46	7,47,64	14,39,99	14,72,00	14,36,98
Railways	−1												
Irrigation	31,63	33,41	14,83	19,85	27,80	49,82	31,58	31,08	35,39	26,36	30,73	8,83	9,00
Posts and Telegraphs											1,73	−3,44	−14,49
Interest Receipts	11,24	11,32	10,90	9,46	9,54	9,87	7,84	4,07	2,98	2,37	2,48	2 24	5,92
Civil Administration	44,48	49,48	54,59	52,44	49,65	47,49	50,77	48,85	46,63	46,80	46,83	47,03	48,55
Civil Works	21,52	24,41	8,85	16,02	15,01	10,88	12,98	59,75	−4,26	19,35	10,62	10,79	10,34
Miscellaneous	5,23	7,06	5,20	9,31	9,49	29,06	21,75	6,03	7,76	4,61	21,75	15,57	17,06
Contribution to the Central Government by Provincial Governments													
Miscellaneous adjustments between Central and Provincial Government	−58							18,98	18,00	18,00	20,02	23,05	26,10
Extraordinary Receipts	−61	44	2,62	1,17	24	21	1,21	31	—18	6	15,04	4,76	3,79
Transfers from Revenue Reserve Fund													
Total Revenue in India	10,72,08	10,54,52	10,30,77	7,21,89	9,59,82	7,80,75	8,25,61	9,21,80	9,02,98	8,65,19	15,89,19	15,80,83	15,43,23
Revenue in England with Exchange	1	3	6	45	25	12							
TOTAL REVENUE	10,72,09	10,54,55	10,30,83	7,22,34	9,60,07	7,80,87	8,25,61	9,21,80	9,02,78	8,65,19	15,89,19	15,80,83	15,43,23

* Separated from India since 1st April 1937

Expenditure—Government of Burma*

(In Thousands of Rupees)

	927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax											10,56	10,64	10,88
Land Revenue	65,33	64,12	61,78	53,33	60,40	52,40	53,59	53,96	56,92	55,56	49,42	55,45	52,90
Excise	22,18	22,98	22,59	24,20	21,14	18,96	19,43	17,56	17,80	18,61	21,04	21,95	23,17
Stamps	1,78	1,76	1,59	1,39	1,29	1,25	1,06	93	1,00	92	96	89	82
Forest	75,01	60,13	65,04	64,03	−18,89	59,72	1,12,58	39,43	58,50	59,52	59,90	60,68	61,34
Registration	1,81	1,87	1,88	1,87	1,80	1,61	1 62	1,37	1,29	133	1,32	1,37	1,37
Scheduled & other Taxes			4	3	2	2	5	1	116	68	12,19	14,82	15,49
TOTAL	1,66,11	1,50,86	1,52,92	1,44,85	65,76	1,33,96	1,88,33	1,13,26	1,36,67	1,36,62	1,55,39	1,65,80	1,65,92
Forest and other capital outlay charged to revenue	9,06	14,35	7,69	6,40	−17,15	19	−12,87	13,53	25	60	6,96	33,70	32,51
Railways											23,67	16,34	16,59
Irrigation	60,22	43,14	36,04	36,77		28,59	28,13	26,32	34,37	32,78	−1,40	3,05	91
Posts and Telegraphs											7,90	−2,06	−1,33
Debt Services	−25,48	−20,73	−21,64	−16,09	5,58	13,23	51,99	21,08	19,63	18,98	1,50,32	1,68,90	1,56,41
Civil Administration	5,77,10	5,87,40	5,71,52	5,51,88	5,78,74	5,19,38	4,99,90	4,73,94	4 95,28	4,96,14	5,55,80	5,87,84	6,08,68
Civil Works	2,51,21	2,50,21	2,11,64	2,10,78	1,11,40	91,39	85,95	74,50	90,73	97,29	1,30,27	1,32,22	7,21,59
Miscellaneous	89,55	62,31	78,75	82,42	85,04	70,35	70,29	71,71	98,25	1,03,92	3,88,93	3,79,18	3,90,56
Extraordinary Items	11,63	1,52	28		2	4		13		1	45,08	57,32	50,24
Total Expenditure in India	11,39,39	10,89,06	10,37,20	10,17,01	8,29,39	8,57,13	9,11,72	7,94,47	8,75 18	8,86,34	14,62 93	15,42,20	15,42,08
Expenditure in England with Exchange	57,31	63,91	61,77	60,37	55,07	51,44	50,80	52,40		.			
TOTAL EXPENDITURE	11,96,70	10,52,97	10,98,97	10,77,38	8,84,46	9,08,57	9,62,52	8,47,17	8,75,18	8,86,34	14,62,93	15,42,29	15,42,08

* Separated from India since 1st April 1937

Revenue—Government of the Central Provinces and Berar Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Taxes on Income	1,72	2,23	2,74	2,65	8						6,25	7,50	8,90
Salt					1	1							
Land Revenue	2 45,26	2,19,31	2,04,99	2,18,59	2,10,63	2,44,66	2,24,16	2,34,78	2,44,55	2,54,46	2,31,08	2,18,09	2,41,97
Excise	1,20,67	1,22,76	1,24,45	86,27	65,56	57,61	57,04	58 80	60,22	63,80	67,36	64,50	58,34
Stamps	65,20	69,72	67,18	59,19	55,55	57,22	58,03	53 63	52,00	50,22	41,70	38 39	44,12
Forest	50,78	54,46	59,97	51,12	44,47	42,90	44,06	47,91	49,39	47,64	50,50	49,42	49,48
Registration	6,57	7,30	7,00	5,35	4,79	5,10	5,04	4,91	4,85	4,94	5,20	5,56	6,25
Scheduled Taxes									3,66	3,99	4,62	7,13	15,11
TOTAL	4,90,20	4,75,78	4,67,33	4,23,17	3,81,09	4,07,50	3,88,33	4,00,03	4,14,67	4,25,05	4,06,71	3,90,59	4,24,17
Railways													
Irrigation	1,23	−18	−26	3,20	−1,36	−1,47	1,36	1,95	3,80	4,21			
Interest Receipts	3,77	3,82	2,86	4,18	3,22	4,72	4,00	4,26	3,58	3,98	4,01	1,81	6,74
Civil Administration	21,58	22,81	22,65	22,13	24,04	22,16	22,33	22,66	19,76	20,15	3,89	3,95	4,12
Civil Works	5,26	4,90	5,04	5,10	5,99	9,83	7,78	13,87	13,55	13,01	22,07	24,20	29,91
Miscellaneous	17,20	28,53	30,22	12,08	6,44	6 75	6,34	5 30	6,33	5,03	9,74	12,57	12,98
Contribution to the Central Government by Provincial Government											7,29	7,14	6,67
Miscellaneous adjustments between Central and Provincial Governments	27											15	15
Extraordinary Receipts	26	18	34	13	25	2	11	9	5				
Transfers from Revenue Reserve Fund													
Total Revenue in India	5,39,77	5,35,48	5,28,18	4,69,99	4,19,67	4,49,51	4,30,23	4,42,57	4,61,76	4,71 43	4,53,71	4,40,41	4,84,74
Revenue in England with Exchange		4	6	7	28	28							
TOTAL REVENUE	5,39,77	5,35,52	5,28,24	4,70,06	4,19,95	4,49,79	4,30,23	4,42,57	4,61,76	4,71,43	4,53,71	4,40,41	4,84,74

Expenditure—Government of the Central Provinces and Berar Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax													
Land Revenue	28,74	29,22	28,91	28,67	22,37	18,89	17,98	18,13	18,60	18,17	18,00	18,07	18,03
Excise	14,75	12,93	11,43	11,70	9,30	8,12	10,00	9,25	9,61	9,02	9,21	8,85	8,28
Stamps	1,86	1,79	1,69	2,49	1,16	1,25	1,15	1,17	1,16	97	95	85	89
Forest	36,56	38,22	38,64	38,31	34,19	32,49	33,73	34,32	36,54	37,74	37,07	35,19	35,28
Registration	2,21	2,20	2,22	2,16	1,95	1,74	1,88	1,89	1,94	1,96	2,00	1,98	2,00
Scheduled Taxes									40	43	45	53	74
TOTAL	84,12	84,36	82,89	83,33	63,97	62,49	64,74	64,76	68,25	68,29	67,68	65,47	65,22
Forest and other Capital outlay charged to Revenue	2,00	2,21	1,12	1,29	34	24	26						
Railways													
Irrigation	27,48	29,32	29,59	30,61	31,30	32,10	32,40	30,31	29,22	27,84	26,11	25,41	6,72
Debt Services	4,43	3,86	—1,26	30	2,91	16,36	21,55	7,53	8,07	9,92	—6,42	—1,54	23,42
Civil Administration	2,62,18	2,79,92	2,70,51	2,71,01	2,48,35	2,30,16	2,36,46	2,38,10	2,55,11	1,53,40	2,64,30	2 62,61	2,65,86
Civil Works	1,09,93	96,57	81,68	69,92	51,37	51,18	52,86	56,70	62,28	59,42	59,10	56,31	54,43
Miscellaneous	29,06	39,80	56,40	37,88	34,69	38,29	41,19	43,20	54,84	57,31	55,23	59,62	67,83
Extraordinary Items												6,71	
Total Expenditure in India	5,19,20	5,36,04	5,20,93	4,94,34	4,37 98	4,30,82	4,49,46	4,40,60	4,77,77	4,82,23	4,66,00	4,74,59	4,83,48
Expenditure in England with Exchange	18,47	18,97	21,54	19,89	19,72	18,61	19 45	19,71					
TOTAL EXPENDITURE	5,37,67	5,55,01	5,42,47	5,14,23	4,57,65	4,49,43	4,68,91	4,60,31	4,77 77	4,82,23	4,66,00	4,74,59	4,83,48

Revenue—Government of Assam Since 1927-28

(*In Thousands of Rupees*)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Accounts 1937-38	Revised 1938-39	Budget 1939-40
Taxes on Income					2,42	1,69	1,72	3,23	2,56		2,50	3,00	3,20
Salt	5,26	6,63	5,53	4,34	64	73	25	14	12	7	7	7	7
Land Revenue	1,12,79	1,17,13	1,20,74	1,15,26	1,20,83	1,17,92	1,10,70	1,18,11	1,25,30	1,29,76	1,21,33	1,14,20	1,32,81
Excise	70,94	66,39	66,23	58,37	52,34	40,42	34,61	32,05	35,24	35,90	35,93	35,92	30,92
Stamps	23,50	22,01	19,98	19,49	19,16	18,01	17,26	17,2	17,43	18,29	18,38	18,47	18,77
Forest	36,14	37,68	35,20	12,63	19,27	16,16	14,57	14,30	14,84	16,85	17,51	16,54	17,24
Registrations	2,30	2,32	2,09	11,97	1,92	1,63	1,55	1,59	1,67	3,06	1,67	16,4	1,67
Scheduled Taxes											14,53	15,10	15,04
TOTAL	2,51,29	2,52,16	2,49,77	2,22,06	2,16,58	1,96,56	1,80,66	1,86,63	1 97,16	2,07,09	2,11,92	2,04,94	2 19,72
Railways	12												
Irrigation													
Interest Receipt	1,59	1,57	2,74	95	1,10	1,13	67	28	53	44	42	33	34
Civil Administration	9,06	12,09	12,70	13,10	12,80	11,38	11,40	11,39	12,56	12,41	13,46	13,63	14,40
Civil Works	4,21	4,68	4,48	5,90	7,92	9,55	6,63	8,60		21,93	16,11	11,00	13,68
Miscellaneous	2,95	3,12	2,25	2,41	1,62	1,04	1,47	1,54	1,89	1,62	1,70	1,92	6,25
Contribution to the Central Government by Provincial Governments											30,00	30,00	30,00
Miscellaneous adjustments between Central and Provincial Government	14							8,54	8,18	9,86		6	6
Extraordinary Receipts								1					
Transfers from Revenue Reserve Fund													
Total Revenue in India	2,69,36	2,73,62	2,71,94	2,44,42	2,40,02	2,19,66	2,00,83	2,16,99	2,38,79	2,53,35	2,78,67	2,61,88	2,84,45
Revenue in England with Exchange		8	1	1	3	1				5			
TOTAL REVENUE	2,69,36	2,73,70	2,71,95	2,4443	2,40,05	2,19,67	2,00,83	2,17,00	2,38,79	2,53,40	2,78,67	2,61,88	2,84,45

Expenditure—Government of Assam Since 1926-27

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax													
Land Revenue	19,10	19,07	20,55	21,88	20,61	18,82	17,81	17,32	16,89	16,48	16,59	15,81	28,57
Excise	7,90	9,60	9,15	8,48	6,00	6,09	5,13	4,99	5,37	5,27	4,69	4,34	3,71
Stamps	97	94	64	59	46	40	40	40	42	45	43	38	39
Forests	12,92	19,53	20 43	19,50	15,46	13,66	11,97	12,11	10,95	11,73	11,72	11,66	11,80
Registration	1,52	1,57	1,74	1,70	1,01	1,47	1,46	1,48	1,58	1,56	1,38	1,44	1,49
Scheduled Tax										7	1,54	1,98	270
TOTAL	42,49	50,71	52,51	52,15	44,14	40,44	36,77	35,43	35,21	35,56	36,35	35,61	48,66
Forest and other capital outlay charged to Revenue	1,15	1,70	1,77	1 66	66	45							
Railways	53	58	59	60	50	48	47	44		44			
Irrigation	98	1 13	90	71	63	46	55	48	44	62	46	71	60
Debt Services	−75	−86	−1,02	−65	2,42	4,78	6,21	4,54	5,70	16,82	3,11	34,11	691
Civil Administration	1,24,61	1,29 88	1,36,58	1,39,59	1,31,07	1,21,81	1,29,79	1,56,40	1,37,18	1,39,90	1,50,61	1,50,83	1,56,89
Civil Works	58,05	67,64	77,17	57,57	41 18	39,87	35,05	46,16	56,15	61,08	52,89	45,82	51,75
Miscellaneous	14,78	14,85	18,52	16,54	16 62	17 74	16,00	2,95	24,39	26,76	35,00	33,18	37,03
Extraordinary Items						5	55	22		3			
Total Expenditure in India	2,41,84	2,65,63	2,87,02	2,68 17	2,37,22	2,26,08	2 25,39	2,66 62	2,59,07	2 81,21	2,78,42	3,00 26	3,01,84
Expenditure in England with Exchange	9,68	9,54	10,70	10 76	10 51	10 39	10,48			10,98			
TOTAL EXPENDITURE	2,51.52	2,72.17	2,97,72	2,73,98	2 47,78	2,36,47	2,35 87	2,66,62	2,59,07	2,92,19	2,78 42	3,00 26	3,01,84

Revenue—Government of the Punjab Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Revised 1938-39	Budget 1939-40
Taxes on Income	4,83	4,02	3,60	2,00							10,00		
Land Revenue	3,00,15	2,77,93	2 57,76	2,69,43	2,22,46	2,67,65	2,50,40	2,98,13	2,78,34	2,96,74	2,89,17	2,70,12	2,76,58
Excise	1 17,73	1,21,36	1,15,07	1,11,52	94,50	92,10	94,36	1,00,20	99,71	1,03,58	1,07,36	1,03,71	1,10,72
Stamp	1,17,94	1,21,03	1,15,08	1,10,02	1,10,50	1,14,51	1,08,15	1,02,92	92,16	89,85	90,36	84,96	85,90
Forest	31,94	35,28	31,58	23,85	22,44	19,52	19,48	18,85	19,53	22,46	23,60	25,39	23,97
Registration	9,08	9,21	9,33	8,38	8,15	9,43	8,89	9,26	9,24	9,31	9,86	9,77	9,77
Scheduled Taxes								6,53	7,50	8,58	10,61	10,86	17,21
TOTAL	5,81,67	5,68,83	5,32,42	5,25,20	4,58,05	5,03,21	4,81,28	5,35,39	5,06,48	5,30,52	5,40,96	5,16,81	5,37,65
Railways													
Irrigation	0,48,33	3,74,39	3,94,45	3,61,59	3,80,83	3,67,88	4,42,21	4,01,76	4,27,15	4,41,84	4,73,68	4,64,50	4,60,54
Interest Receipts	10,39	8,59	9,70	10,02	9,53	9,88	9,49	10,62	10,08	9,34	4,21	4,72	3,80
Civil Administration	52,75	574,9	60,23	54,93	65,59	64,71	65,80	61,66	63,14	66,79	77,79	81,45	87,88
Civil Works	8,60	6,35	7,01	9,74	17,92	19,78	19,45	20,25	13,52	32,23	38,40	41,25	47,27
Miscellaneous	28,36	27,54	35,70	38,03	26,78	21,13	19,79	19,68	17,92	20,83	30,01	31,38	26,47
Contribution to the Central Government by Provincial Governments													
Miscellaneous adjustments between Central and Provincial Governments	28												
Extraordinary Receipts	1,16,05	72,24	73,27	46,46	36,09	37,28	34,61	16,40	22,59	25,51	3,00	3,06	3,05
Transfers from Revenue Reserve Fund			15,00	9,86							30,30	21,24	25,13
Total Revenue in India	12,06,43	11,15,43	11,27,78	10,55,83	9,94,79	10,23,87	10,72,63	10,66,26	10,60,88	11,27,06	11,98,35	11,64,41	12,01,79
Revenue in England with Exchange	—6	26	—59	23	1,71	5							
TOTAL REVENUE	12,06,37	11,15,69	11,27,19	10,56,51	9,96,50	10,23,92	10,72,63	10,66,26	10,60,88	11,27,06	11,98,35	11,64,41	12,01,79

Expenditure—Government of the Punjab Since 1927-28

(In Thousands of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-1937	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax													
Land Revenue	41,59	40,95	40,87	39,63	37,23	35,47	36,32	36,91	38,48	39,87	41,49	43,90	45,52
Excise	15,49	11,71	13,73	12,74	11,57	9,38	9,85	10,42	11,01	10,72	11,61	12,00	11,55
Stamps	2,32	2,43	3,46	1,87	1,86	2,02	1,69	1,78	1,57	1,64	1,67	1,62	1,61
Forest	25,52	24,93	24,73	23,38	20,99	18,12	19,00	21,25	21,17	21,47	21,47	26,99	25,89
Registration	1,03	1,04	99	96	87	76	73	74	73	70	70	71	72
Scheduled Taxes								51	78	1,16	1,44	1,53	2,10
TOTAL	85,95	81,06	83,78	78,58	72,52	65,74	67,59	71,61	73,74	75,56	79,79	86,75	87,39
Forest and other Capital outlay charged to Revenue	4,02	4,71	4,95			3,98	5,62	2,85	10,30	12,88	11,17		
Railways													
Irrigation	2,37,34	1,50,62	1,31,46	1,37,53	1,47,09	1,42,17	1,45,32	1,42,22	1,34,05	1,37,08	1,41,36	1,51,00	1,55,17
Debt Services	−22,89	−22,05	−16,27	−11,86	−8,84	8,68	−5,13	−10,52	−2,69	—13,28	—9,70	−19,71	−22,66
Civil Administration	5,69,67	6,17,05	6,50,91	6,39,57	5,85,08	5,49,11	5,38,45	5,78,39	6,03,51	6,07,99	6,31,29	6,61,69	6,73,51
Civil Works	2,05,99	2,45 00	1,83,11	1,44,73	1,24,85	1,20,00	1,21,43	1,23,79	1,25,30	1,48,86	1,27,00	1,46,04	1,40,07
Miscellaneous	57,16	46,62	54,95	70,70	77,25	81,17	98,53	1,01,82	1,06,46	1,14,46	1,65,43	1,44,59	1,62,65
Extraordinary Items													
Transfer to Revenue Reserve Fund	15,00												
Total Expenditure in India	11,52,24	11,23,01	10,92,89	10 59,25	9,98,45	9,70,85	9,71,81	10,10,16	10,50,67	10,83,55	11,46,94	11,70,36	11,96,13
Expenditure in England with Exchange	34,29	38 19	39 36	39 49	39,59	35,56	37,68	38,50					
TOTAL EXPENDITURE	11,86,53	11.61,20	11,32,25	10,98,74	10,38,04	10 06,41	10,09,49	10,69,73	10,50,67	10,83,55	11,46,94	11,70,36	11,96,13

Revenue—Government of Sind

(In Thousands of Rupees)

	1937-38	Revised 1938-39	Budget 1939-40
Taxes on Income	2,50	3,00	3,00
Land Revenue	33,29	29,50	31,04
Excise	37,48	34 90	34,98
Stamps	17,74	17,05	17,00
Forest	8,30	8,45	6,98
Registration	2,12	1,99	2,02
Scheduled Taxes	4,94	5,10	5,34
Total	1,06,37	99,99	1,00,36
Forest and other capital outlay charged to Revenue			
Railways			
Irrigation	70,81	68,99	70,47
Debt Services	5,13	5,82	4,70
Civil Administration	10,27	11,46	12,19
Civil Works	6,43	12,61	23,33
Miscellaneous	1,67	1,85	2,18
Provincial, contribution Miscellaneous adjustments between Central and Provincial Governments	1,10,00	1,05,00	1,05,00
Extraordinary Items	81,35	59,82	65,00
Total Revenue in India	3,92,03	3,65,54	3,83,23
Revenue in England with Exchange			
Total Revenue	3,92,03	3,65,54	3,83,23

Expenditure—Government of Sind

(In Thousands of Rupees)

	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax			
Land Revenue	17,58	17,61	17,36
Excise	3,46	3,67	5,24
Stamps	43	42	42
Forest	3,53	3,55	3,59
Registration	81	87	87
Scheduled Taxes	19	22	25
Total	26,00	26,34	27,73
Forest and other capital outlay charged to Revenue			
Railways			
Irrigation	1,48,74	1,27,56	1,34,11
Debt Services	5,00	1,40	4,94
Civil Administration	1,32,16	1,37,35	1,39,97
Civil Works	21,30	27,59	42,70
Miscellaneous	22,18	30,29	26,90
Provincial contribution, Miscellaneous adjustments between Central and Provincial Governments			
Extraordinary Items			
Total Expenditure in India	3,55,38	3,50,53	3,76,35
Expenditure in England with Exchange			
Total Expenditure	3,55,38	3,50,53	3,76,35

Revenue— Government of North-West Frontier Province.

(In Thousadns of Rupees)

	1937-38	Revised 1938-39	Budget 1939-40
Income Tax	1,25	1,50	1,78
Land Revenue	20,65	20,01	20,00
Excise	8,24	9,01	8,87
Stamps	8,57	7,76	7,76
Forest	5,12	5,82	5,00
Registration	71	68	68
Scheduled Taxes	59	2,18	2,18
Total	45,13	46,96	46,27
Railways			
Irrigation	15,47	13,96	15,18
Interest Receipts	35	76	54
Civil Administration	7,95	8,22	8,06
Civil Works	10,29	9,66	5,40
Miscellaneous	1,02,72	1,02,99	1,05,20
Contribution to the Central Government by Provincial Governments			
Miscellaneous Adjustments between Central and Provincial Governments			
Extraordinary Receipts			
Transfers from Reserve Fund			
Revenue in England with Exchange			
TOTAL REVENUE	1,81,92	1,82,55	1,80,65

Expenditure—Government of North-West Frontier Province.

(In Thousands of Rupees)

	1937-38	Revised 1938-39	Budget 1939-40
Income-Tax			
Land Revenue	3,43	3,39	3,40
Excise	75	80	76
Stamps	22	31	24
Forest	3,91	3,79	3,89
Registration	11	11	11
Scheduled Taxes	13	18	19
Total	8,55	85,8	8,59
Forest and other capital outlay charged to Revenue	13	17	18
Railways	3,45	4 94	6,27
Irrigation			
Debt Services	1,49	2,43	1,87
Civil Administration	1,10,30	1,10,98	117,02
Civil Works	39,73	40,40	35,45
Miscellaneous	14,91	15,18	17,04
Extraordinary Items			
Total Expenditure in India	1,78,56	1,82,68	1,86,42
Expenditure in England with Exchange			
TOTAL EXPENDITURE	1,78,56	1,82,68	1,86,42

Railway Budget.

Review of results from 1925-26 to 1937-38 Commercial and Strategic lines together

(Figures in Lakhs of Rupees)

	Mileage open	Gross Traffic receipts	Ordinary operating expenses	Appropriation to Depreciation Fund	Net Traffic Receipts	Net Miscellaneous charges (including surplus profits payable to Companies) after deducting miscellaneous receipts	Net Revenue	Interest charges	Surplus	Paid as contribution to general revenues	Transferred to Railway Reserve
1925-26	27,090	98,94	52,99	10,67	35,28	—1,19	34,09	24,31	9,28	5,49	3,79
1926-27	27,664	98,42	52,89	10,89	34,64	—1,27	33,37	25,87	7,50	6,01	1,49
1927-28	28,086	1,03,43	53,06	11,38	38,99	—87	38,12	27,27	10,85	6,28	4,57
1928-29	29,111	1,03,73	54,22	12,00	37,51	—37	37,14	29,33	7,81	5,23	2,58
1929-30	30,878	1,02,70	55,59	12,59	34,52	—2	34,50	30,46	4,04	6,12	—2,08
1930-31	31,197	95,10	54,39	13,07	27,64	—11	27,53	32,72	—5,19	5,74	—10,93
1931-32	31,640	86,63	49,31	13,46	23,86	1	23,87	33,07	—9,20		—4,95
1932-33	31,642	84,43	49,08	13,77	21,58	1,10	22,68	32,91	—10,23		
1933-34	31,644	86,63	49,50	13,56	23,57	1,05	24,62	32,58	−7,96		
1934 35	31,619	90,20	50,27	13,72	26,21	53	26,74	31,80	−5,06		
1935-36	31,732	90,65	50,87	13,25	26,53	87	27,40	31,39	—3,99		
1936-37	31,739	95,49	50,23	13,15	32,11	—9	32,02	30,81	1,21		
1937-38*	29,764	95,01	50,37	12,57	32,07	—5	32,02	30,81	1,21		
Revised Estimate* 1938-39	29,764	94,65	50,99	12,56	31,10	23	31,33	29,28	2,08	2,05	
Budget Estimate* 1939-40	29,880	94,75	51,67	12,58	30,50	59	31 09	28,96	2,13	2,13	

NOTE 1—The balance of the loss in 1931-32 and the total loss in the following years have been, or will be, met by temporary borrowings from the Depreciation Fund

NOTE 2—Credits for Material released from works not charged to revenue which were taken in reduction of operating expenses up to 1931-32

FROM 1932-33 onwards they have been added to receipts and are included in net miscellaneous receipts The amounts involved are as follows —in 1932-33, and 1933-34, Rs 1,19 lakhs each, in 1934-35, Rs 90 lakhs, and in 1935-36, Rs 1,10 lakhs From 1936-37, they are taken in reduction of expenditure met from the Depreciation Fund

NOTE 3—Working expenses were reduced in 1930-31 by Rs 1,66 lakhs by a credit from the Depreciation Fund for correction of past accounting adjustments, and in 1924-25, by Rs 1,79 lakhs by certain abnormal refunds of expenditure in previous years

*Excluding Burma Railways

Provincial Government Budgets
(In Lakhs of Rupees)

PROVINCES	Accounts 1937-38			Revised 1938-39			Budget Estmates 1939-40		
	Revenue	Expenditure	Surplus (+) or Deficit (-)	Revenue	Expenditure	Surplus (+) or Deficit (-)	Revenue	Expenditure	Surplus (+) or Deficit (-)
Madras	16,01	15,83	+18	16,23	16,21	+2	16,23	16,40	—17
Bombay	12,44	12,14	+30	12,34	12,96	−62	12,90	12,94	—4
Bengal	13,01	11,83	+1,18	12,71	12,93	−22	13,78	14,65	—87
United Provinces	12,33	12,33		13,08	12,93	+15	13,31	13,69	—38
Punjab	11,68	11,36	+32	11,43	11,70	−27	11,67	11,96	—29
Bihar	5,03	4,95	+8	5,19	5,04	+15	5,38	5,37	+1
Central Provinces	4,54	4,66	−12	1,40	4,74	−34	4,84	4,83	+1
Assam	6,81	6,75	+6	8,32	8,44	−12	8,22	8,18	+4
N W F Province	1,82	1,79	+3	1,83	1,83		1,81	1,86	—5
Orissa	1,85	1,76	+9	1,91	1,93	−2	1,85	2,03	—18
Sind	3,92	3,55	+37	*3,66	*3,51	+*15	3,83	3,76	+7
TOTAL	89,44	86,95	+2,49	91,10	92,22	−1,12	93,82	95,67	−1,85

* 8 months

Subventions and other payments made by the Centre to the Provinces under the Niemeyer award.

(In lakhs of Rupees)

PAID TO	Income Tax			Jute Duty			Subventions		
	1937 38	1938-39	1939-40	1937-38	1938-39	1939-40	1937-38	1938-39	1939-40
Bengal	25 00	30 00	35 60	237 81	221 27	226 63			
Bombay	25 00	30 00	35 60						
Madras	18 75	22 50	26 70						
United Provinces	18 75	22 50	26 70				25 00	25 00	25 00
Punjab	10 00	12 00	14 24						
Central Provinces and Berar	6 25	7 50	8 00						
Bihar	12 50	15 00	17 80	13 66	17 12	19 76			
Assam	2 50	3 00	3 56	11 75	11 69	13 68	30 00	30 00	30 00
Orissa	2 50	3 00	3 56	1 94	0 92	0 94	47 00	43 00	43 00
N W F Province	1 25	1 50	1 78				100 00	100 00	100 00
Sind	2 50	3 00	3 56				110 00	105 00	105 00
Total	125 00	150 00	178 00	265 16	251 00	261 01	312 00	303 00	303 00

INDIAN FINANCE IN 1938-39

THE behaviour of Indian money, exchange and giltedged markets during 1938-39 did not reflect *in toto* the numerous alarums and excursions in international finance, which are noticed in another article Except in so far as the trend of world trade and the direction of it had perforce to exercise their influence on Indian economy, it must be said that Indian markets managed to retain on the whole a considerable degree of individuality This does not mean that Indian economy was so thoroughly insulated from the shock of outside developments as to be completely immune to them Rather, it only reflects the inherent strength of the various strands of Indian economy, at a time of great stress for various nations of the world The fact that India had no great rearmament programme to be gone through naturally spared Indian economy from the whole host of strains and stresses to which other countries with the preoccupations of their defence were naturally subject The behaviour of the Indian giltedged market right up to the outbreak of the present war was a proof of the degree of independent strength which one market at least had managed to develop, sometimes even in spite of adverse advices from abroad

The most outstanding feature in our public finance during the fiscal year was the obligation of the Provincial Governments to make their arrangements for ways and means requirements direct with the Reserve Bank as from April 1, 1938 From that date the provinces have assumed full responsibility for their balances and have to maintain certain minimum balances with the Reserve Bank as per agreements entered into by the Bank with each province Under the new arrangement while the provinces may invest in Central Treasury Bills any surplus funds with them, they have to meet any temporary deficits in their minimum balances either by issuing their own treasury bills or by obtaining ways and means advances from the Reserve Bank The Reserve Bank makes ways and means advances to provincial governments when the shortage in their funds is of a very temporary nature for which obviously the issue of Treasury Bills would have been unsuitable Of Provincial Treasury Bills more anon

The high spots of the Indian markets were provided by the strange trend of money rates on the one hand and the fluctuations in the rupee rate on the other Sometimes, there were wholy artificial and abrupt changes in money rates with seldom any relation to the trends of trade or the requirements of the normal channels from which demand for short-term finance usually arises The year began with the money market extremely easy, short-credits being available almost for the asking By the end of the calendar year, the call market was abnormally active, without any corresponding signs of activity in the internal trade situation, and once the rate for inter-bank call went up even to 2 75 per cent with corresponding rises in rates for three months deposits and other allied rates To this rise the hardening discounts in the London market were certainly contributory in a measure, but it does not wholly explain the situation The Government throughout had little difficulty in obtaining their short-term requirements from the market, and, in the earlier part of the year, the low Treasury Bills rate helped a lot in reducing the cost of short-term financing But what was surprising was the apparent readiness of the authorities to pay what must be admitted to be uneconomic rates of interest on the floating debt towards the close of the year, when the Treasury Bills policy hardly took account of the conditions ruling in the market It is perhaps true that the requirements of ways and means finance did not permit a situation in which Treasury Bills policy could be subordinated to merely ethical considerations concerning the interest to be paid on Treasury Bills But there were certainly occasions in which a more suitably planned Treasury Bills policy would have had a healthy effect in arresting the drift to dear money conditions that became so pro-

nounced in the closing months of year Hence the charge in many quarters that the authorities were not averse to the persuit of a dear money policy The fact that the exchange was in doldrums also lent colour to the suggestion that money rates were intended and manipulated to bolster up the exchange This may be an exaggeration but one felt the Government could easily have deprived the charge of whatever foundation it might have had by adopting a different policy

At the beginning of the year, owing to the decline in the volume of trade the seasonal firmness in money rates was absent and the interbank call rate was quoted from ½ per cent to ¾ per cent The low commodity prices delayed the arrival of produce on the markets and it was only late in march that crop financing got into stride The call rate thereupon advanced to 2½ per cent with fixed deposit rates sympathetically higher The note circulation reached a high peak of Rs 190 81 crores while advances of scheduled banks reached Rs 125 crores in April, what time their balances with the Reserve Bank came down to a bottom level of Rs 12 crores By May, howver, the interbank call rate came down to ½ per cent and sometimes even to ¼ per cent, at which levels the rates were purely nominal This situation in the rates were purely nominal This situation in the money market continued, even though June witnessed an upturn in the export trade Even the crisis towards the end of September had little effect on the market though the hardening trend of discounts in London raised money rates In fact from May to December, it was one dreary tale of uninteresting conditions in the short-credits market with no trade demand for funds worth the name and with the market being over-burdened with simply unusable funds Even the usual volume of crop financing normally felt in the cold weather months was absent and the busy season was anything but busy By December, there was a strong upturn in the demand for short-term credits and the year 1938 actually closed with the rate for Treasury bills standing as high as 2¾ per cent and deposit rates commensurately high January and February saw higher rates for the year, with Bombay rates being quoted slightly in excess of Calcutta rates

In this context a comparison of the course of treasury bills discounts and average yields in the twelve months for 1937-38 and 1938-39 provides material of exciting interest

We purposely allude to the comparison with the previous year because it throws much light on the Treasury Bills policy of the authorities and is also illustrative of the vast difference that exists between the two years The average rate for Central Government Treasury bills during the year 1938 was Rs 1-4-10 as compared with 0-14-4 in 1937 In fact if a reference to the figures is made it will be found that without any exception the Treasury Bill rates have been definitely higher on every month in 1938-39 The lowest yield per cent in 1937-38 was 51 per cent, in 1938-39 62 per cent The highest in 1937-38 was 1 55 per cent, in 1938-39 2 60 per cent That must serve to give some idea of the very high price paid for the exigencies of short-term accommodation Moreover, the total amount of Treasury Bills sold to the public by the Central Government by tender as well as intermediates was Rs 97 49 crores in 1938-39, as against only Rs 71 99 crores in the previous year

In judging the extent of the rise in the total of treasury bills outstanding in the year 1938-39, due regard must be had to the obligation laid on the Central Government by Section 36 of the Reserve Bank Act, under which five crores of surplus rupees have been returned to the Government in the last two years against payments in Treasury bills Moreover, the Central Government continued to provide through the Reserve Bank facilities for the investment of the surplus balances of provincial Governments in Central Treasuries The procedure was that the Reserve Bank sold to the provincial Governments the bills required by them out of its own holdings in the Issue Department and replaced these bills by taking from the Government fresh bills at the tap The total of bills outstanding at the hands of the Issue Department of the Reserve Bank, the provincial Governments and of Burma on 31st March 1939 was Rs 18 96 crores as against Rs 19 89 crores in the previous year The total of the Treasury Bills outstanding with the public, the Bank and provincial Governments plus Burma stood at Rs 46 30 crores at the end of 1938-39 compared with Rs 38 01 crores and Rs 28 54 crores at the close of 1936-37 and 1935-36 respectively

While thus Treasury Bill rates and call money rates were characterised by a degree of artificial firmness, it is notable that the rupee exchange was at its lowest ebb during the year, particularly in the earlier half Like other primary producing countries

whose export surpluses suffered a setback on account of the recession, the Indian exchange rate too weakened, and on the first week of June 1938 had fallen to the lower statutory point of 1s 5 19/64d This, at any rate, is the explanation given by the Reserve Bank's annual report The weakening trend in the exchange rate commened on the 13th April when, for the first time since December 1934, the Reserve Bank had to accept sterling tenders to the amount of £10,000 at 1s 0 3/32d, from the previous level of 1s 6⅛d On the 20th April, tenders were submitted only at 1s 6d and the Reserve Bank was obliged to reject them, the rate continuing to decline even though sterling tenders were suspended And yet, despite the obviously unsatisfactory state of the rupee rate, the Government continued to affirm their readiness to stick to the ratio and to maintain it at all costs, though Indian public opinion once again pleaded for a readjustment In July, the improvement in the balance of trade steadied rates somewhat, and the general optimism in the business outlook infused a better sentiment in the exchange market In July, therefore, the rate settled down at 1s 5 29/32d, that is, one point below the Reserve Bank's tap rate Subsequent months witnessed a steady accession of strength in the trade position and the rupee exchange remained on the whole steady, fluctuating between 1s 5 13/16d and 1s 5 15/16d In the month of December, forward exchange rates were inclined to weaken, but this, however, was offset by the unusually tight state of the money market after December and the Bank was able to effect purchases at the tap rate of 1s 5 15/16d

The total purchases of sterling made by the Reserve Bank, inclusive of £3,768,000 got by tender, amounted to £25,468,000 at an average rate of 1s 5 15/16d in 1938-39 in comparison with £25,140,000 at 1s 6⅛d, in 1937-38 The chief reason for the decline in the amounts of sterling tendered to the Bank was the decline in the balance of trade in merchandise and treasure in the last two years, together with enhanced remittance demand on private account for purposes of investment During the months July, 1938 to February, 1939, the Bank purchased sterling tap at 1s 5 15/16d After February, tenders were again introduced The total sterling requirements of the Secretary of State during the year (inclusive of £610,000 in respect of Burma) came to £35 6 million compared to £37 2 million in the previous year The balance was met by the Secretary of State drawing upon the accumulated reserves in the Issue Department, the total amount so withdrawn being about £14 5 million It is therefore gratifying that the total sterling requirements of the Secretary of State for India show a substantial reduction in the coming year over the previous year There are a number of reasons for these, the chief of them being the completion in the latter half of the year of the remittances in respect of family pension funds The following table shows the steady decline in India's sterling remittances, a point which Sir James Grigg emphasised in his valedictory budget

Year	(millions £ approxly)
1936-37	41
1937-38	37
1938-39	36
1939-40	27

* * *

A word as regards provincial treasury bills which were issued by the provinces of Bengal, Madras, Assam and C P will not be out place here The total sales of provincial bills up to the end of the year amounted to Rs 5 70 crores The average yield of these provincial bills was 1 82 per cent per annum It must be admitted that the provinces had to pay much higher rates of interest on their Treasury Bills than the Central Government, a state of affairs for which we see little justification In fact, there were occasions when the provinces were fleeced to pay unconscionable rates and out of all proportion to their need and prestige This naturally drew protests in financial circles who could not reconcile themselves to the fact that a province, say of such credit worthiness as Madras should be called upon to pay rates much higher than the Central Government It was commonly felt that the Reserve Bank could have exercised its influence to arrange the issue of these bills at more favourable terms and the absence of a bill market in India is being increasingly felt

On 13th May, 1938, the Central Government announced a 3 per cent combined cash and conversion loan repayable not earlier than 1936 and not later than 1965 at Rs 98 per cent Subscriptions were received on the 19th May either in cash or 5½ per cent 1938-40 bonds or 5 per cent 1939-44 loan Securities of the 5½ per cent 1938-40 and the 5 per cent 1939-44 loans were accepted in payment for the new loan at Rs 101-12 and Rs 104 per nominal value of Rs 100 The total amount offered was Rs 32 35

crores, of which Rs 12 24 crores were through tenders for cash and the balance in other loans Conversion applications got full allotment, while cash applications obtained proprortionate allotment The over-subscription of the loan within a few minutes of the opening was not unexpected and the success of the issue had a good effect on giltedged prices generally

Punjab and Madras floated loans for Rs 1 crore and Rs 1½ crores respectively The Punjab issue was a 3 per cent loan at Rs 98-8 per cent in the form of bonds redeemable at par on August 1958 The Madras loan was a 3 per cent 1953 loan of which Rs 1 1 crores was offered to the public at 99 per cent Both the loans were a great success since they were known to be for productive purposes The gilt-edged market throughout the year was quite steady despite the frequent alarums excursions in Europe On the eve of the Munich Pact there was certainly a big flurry but the peace that came after restored the poise in the market fully

It would be pertinent to note here, in passing, the experience of the Central and Provincial Governments in their new loan issues in June and July 1939, although they are outside of the fiscal year and as such are not strictly relevant to a monetary review of 1938-39 The importance of the loans resides in the different reception that the money market accorded to them, much against government as well as popular expectations While 1938 was an auspicious year, 1939, was not, and the ever blackening cloud of war had increased the nervousness of giltedged investors It was somewhat unfortunate that the issue of the Madras, C P , and Central Government loans coincided with a bout of great nervous tension in Europe To that extent, the success of the loans was affected The Madras and the C P Loans were issued first on June 21, 1939 The Madras loan was a 3 per cent 1959 loan for Rs 150 lakhs, issued at Rs 98-8, while the Central Provinces issued a 3 per cent 1949 loan for Rs 70 lakhs, the issue price being also Rs 98-8 The C P loan was oversubscribed within ten minutes of the opening, the total subscriptions amounting Rs 112 lakhs The Madras loan did not enjoy the same luck, and though the loan was fully subscribed, it later transpired that underwriters had to take up a good part of the issue In fact, the public learnt only later that underwriting arrangements had been made at all, though not underwriting commission and other particulars That this should have happened despite the admittedly high credit of the Madras Government, showed the market's avowed preference for short-term loans, such as the C P loan was and the Madras loan was not

As for the Central Government's loan, speculation was rife as to what the terms would be, but it had generally been expected that the new loan would be on a cash and conversion basis, and it in fact proved to be so, being what may be called a second tranche of the last 3 per cent 1963-65 loan, issued at Rs 98 per cent A Reserve Bank communique on the eve of the loan stated that "the list for subscriptions in cash or 5 per cent loan 1939-44 will be closed without notice, as soon as it appears that the total subscriptions in these two amount to Rs 15 crores approximately" It was also stated that applications for conversion of holdings of 5 per cent 1940-43 will be alloted in full and that the list for conversion applications will be closed along with closure of the list for subscriptions in cash and 5 per cent 1939-44 So the primary purpose of the loan was to secure Rs 15 crores in cash and in the form of 5 per cent 1939-44 loan The results proved satisfactory in that subscriptions totalled Rs 15 60 crores, but only as follows —cash Rs 135 lakhs, 5 per cent 1939-44 Rs 8,13 lakhs, 5 per cent 1940-43 Rs 6,12 lakhs Although in a sense the amount of Rs 15 crores expected had been realised, the loan can hardly be deemed a thumping success, in as much as in respect of cash and conversion of 5 per cent 1939-44, applications came only to Rs 9 5 crores, a total that was not calculated to help the ways and means position of the Central Government Be that as it may, the results of the Central Government's loan only brought fresh evidence of the market's growing reluctance to invest in long-term or even medium-dated issues

Balance of Trade in India from 1928-29 to 1938-39.

(In Lakhs of Rupees)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	1938-39
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Exports of Indian Merchandise (private)	+ 3,30,13	+ 3,10,80	+ 2 20,49	+ 1 55,89	+ 1 32 43	+ 1 47,25	+ 1,51 67	+ 1,60,52	+ 196,12	+ 1,80,92	+ 1,62,77
Re-exports of foreign	+ 7,83	+ 7,13	+ 5,15	+ 4 66	+ 3 22	+ 3,42	+ 3,55	+ 3,77	+ 6,24	+ 8,28	+ 6,42
Imports of foreign	+ 2 51,49	+ 2,38,95	− 1,63,61	− 1 25,69	− 1 32,27	− 1,15,00	− 1,31,80	− 1,33,69	−1,24,60	− 1,73,32	−1,51,80
Balance of trade in Merchandise	+ 86,47	+ 78,98	+ 62,03	+ 34,86	+ 3,38	+ 35,67	+ 23,42	+ 30,60	+ 77,76	+ 15,88	+ 17,39
Gold (private)	− 21,20	− 14,22	− 12,75	+ 57,97	+ 65,52	+ 57,05	+ 52,53	+ 67,35	+ 27,85	+ 16,34	+ 73,05
Silver („)	− 13 04	− 11,89	− 11,65	− 2 59	− 73	− 1	− 37	− 1,27	− 13,59	− 2,26	− 1 75
Currency Notes (private)	− 12	− 9	− 3	+ 26	+ 3	+ 19	+ 37	+ 29	+ 24	+ 28	+ 58
Balance of transaction in Treasure (private)	− 34,36	− 26,20	− 24,43	+ 55 64	+ 64 92	+ 57,23	+ 52,53	+ 36 37	+ 14,50	+ 14,36	+ 11,88
Total Visible Balance of Trade	+ 52,11	+ 52,78	+ 37,60	+ 90 50	+ 68 30	+ 92,90	+ 75,95	+ 66 97	+ 92,26	+ 30,24	+ 29,27
Gold earmarked on account of Purchasers abroad											− 10,19
Council Bills, purchases of Sterling and other Government remittances to the United Kingdom	− 41,02	− 20,39	− 7,26	− 53 04	− 48 18	− 59,97	− 49,82	− 45 58	− 70 87	− 29,51	− 32,64
Sterling transfers on London sold in India			+ 7,75	+ 18 98	+ 18 98						
Transfers of Government Securities	− 1	− 29	− 8	+ 6	− 13	− 11	+ 32	− 56	− 18	− 11	− 8
Interest drafts on India in respect of Government of India Securities	− 36	− 33	− 33	− 32	− 32	− 36	− 28	− 31	− 29	− 28	− 28
Balance of remittance of funds	− 41,39	− 21,01	+ 8	− 34 32	− 48,63	− 60 44	− 49,78	− 46 45	− 71,34	− 29,90	− 33,00
Total Visible Balance of Accounts	+ 10 72	+ 31,77	+ 37,68	+ 56,18	+ 19,67	+ 31,50	+ 26,17	+ 20,42	+ 20,91	+ 34	+ 6,16

NOTE—(1) Imports of merchandise are exclusive of railway materials imported direct by State Railways working under Company management as the charges of these are not paid for in the ordinary way

(2) In the balances, + means net Export and − net Import

(3) All transactions which do not enter into the balance of trade are excluded

* Exclusive of Burma

Total Imports and Exports of Silver and Gold for each of the years 1900-01 to 1938-39.

(Value in Thousands of Rupees)

	Gold		Silver	
	Imports	Exports	Imports	Exports
	Rs	Rs	Rs	Rs
1900-01	11,89,80	11,05,59	12,67,87	3,17,15
1901-02	8,30,75	6,36,99	12,29,38	5,10,10
1902-03	13,19,24	4,43,78	12,18,65	5,22,98
1903-04	20,14,79	10,21,62	18,37,82	4,82,77
1904-05	21,81,20	12,10,61	17,69,62	4,32,27
1905-06	14,75,90	14,29,10	16,90,20	1,17,90
1906-07	18,53,34	3,67,73	26,04,64	2,04,09
1907-08	20,75,26	3,38,49	21,53,19	2,06,36
1908-09	8,40,42	4,04,88	14,34,00	2,27,15
1909-10	25,03,10	3,35,17	12,49,25	3,04,75
1910-11	27,89,25	3,91,39	11,84,34	3,21,31
1911-12	41,49,36	3,73,38	11,97,72	6,64,01
1912-13	41,29,08	7,28,96	20,54,10	3,34,22
1913-14	28,22,64	4,90,26	15,21,32	2,18,03
1914-15	10,70,38	3,05,64	11,10,45	2,23,30
1915-16	5,28,17	5,39,08	6,66,46	1,83,50
1916-17	13,33,79	10,25	25,11,48	6,31,47
1917-18	29,09,49	3,91,63	22,66,94	3,62,76
1918-19	2,27,63	7,84,00	69,08,92	1,17,02
1919-20	48,25,16	12,92,13	29,98,73	75,84
1920-21	23,57,38	21,46,56	11,11,82	4,70,57
1921-22	13,82,04	16,48 49	17,47,86	2,38,24
1922-23	41,32,39	13,31	20,94,33	2,58,86
1923-24	20,25,31	6,68	22,10,27	3,40,47
1924-25	74,28,98	36,32	24,28,07	4,20,67
1925-26	35,22,99	37,54	19,89,70	2,77,29
1926-27	19,50,12	10,07	21,76,34	1,89,54
1927-28	18,13,34	3,44	16,47,37	2,63,69
1928-29	21,21,90	2,03	15,92,18	6,15,11
1929-30	14,23,11	1,03	13,41,91	4,79,79
1930-31	13,24 66	49,34	13,46,63	3,38,70
1931-32	2,79,95	60,77,23	4,42,64	4,84,81
1932-33	1,31,81	66,84,09	1,62,95	3,64,26
1933-34	1,09,94	58,15,30	81,73	7,17,45
1934-35	71,93	53 25,68	4,45,10	9,85,75
1935-36	94,95	38,30,55	6,45,75	7,03,09
1936-37	1,60,88	29,45 49	7,64	28,47
1937-38*	1,55,60	17,89,24	2,49	1,55,19
1938-39*	74,54	13,79,52	6,45	81,01

* Exclusive of Burma

London-New York Cross Rate (£ per 100 dollars), Sterling-Franc rate Price of Gold in London and in Bombay.

		London-New York cross rate dollars to pound sterling		Sterling-Franc rate Francs to Pound		Price of gold in London						Price of country bar gold at Bombay					
		Highest	Lowest	Highest	Lowest	Highest			Lowest			Highest			Lowest		
						£	s	d	£	s	d	Rs	A	P	Rs	A	P
January	1937 ..	491¾	489½	105¼	105	7	2	0½	7	1	5½	35	2	9	34	15	9
February	,,	490¼	488½	105¼	104⅞	7	2	4	7	1	11	35	3	9	35	2	0
March	,,	489⅛	487⅜	108¼	105	7	2	7½	7	2	2	35	5	9	35	2	6
April		495⅜	488⅜	111⅝	106¼	7	2	1½	7	0	3½	35	3	6	34	7	6
May	,,	494⅝	492⅞	110 15/16	109	7	0	10	7	0	5½	35	1	0	34	6	0
June	,,	495	491⅛	111	110⅜	7	0	9	7	0	3½	34	14	3	34	8	0
July	,,	498½	493⅝	135⅛	120	7	0	6	6	19	6½	34	11	0	34	7	9
August	,,	499⅜	496	133	132⅝	7	0	1	6	19	4	34	10	9	34	6	9
September	,,	496¾	494⅛	147½	132 11/16	7	0	7½	7	0	0½	34	14	3	34	10	3
October	,,	496⅞	494¾	152½	144⅜	7	0	8	7	0	4	34	13	6	34	10	9
November	,,	503	496	147⅝	147	7	0	7	6	19	10½	34	10	9	34	8	6
December	,,	500⅝	498½	147⅜	147	7	0	0½	6	16	6	34	8	9	34	6	0
January	1938	501 5/100	499 67/100	153 43/100	147 29/100	6	19	9	6	19	5	34	8	0	34	6	6
February	,,	503 67/100	499 67/100	154 15/100	151 43/100	6	19	10½	6	19	6	34	8	6	34	4	9
March	,,	501 77/100	495 87/100	164 56/100	153 75/100	7	0	3½	6	19	6½	34	11	0	34	7	9
April	1938	501⅛	496	167	157⅞	7	0	1½	6	19	5½	35	0	3	34	12	6
May	,,	500½	493¾	178 15/16	162½	7	0	9	6	19	6	35	4	0	34	13	9
June	,,	498⅜	494⅛	178 7/16	177 13/16	7	0	10½	7	0	5½	35	12	0	35	4	9
July	,,	495⅞	491¼	178 13/16	177 11/16	7	1	6½	7	0	11	35	11	3	35	6	0
August	,,	491½	484⅞	179	177 15/16	7	3	3½	7	1	8	36	4	3	35	11	0
September	,,	486¼	460	180	178 3/16	7	4	8½	7	3	0½	36	10	6	35	15	9
October	,,	483	472½	179¼	178½	7	6	8½	7	4	1½	36	10	0	36	9	9
November	,,	476½	462¼	178 15/16	178⅕	7	9	1	7	5	11	37	3	6	36	8	3
December	,	470¼	464¼	178⅜	176 11/16	7	9	5½	7	8	1	37	7	0	37	3	0
January	,,	469 21/32	462 9/16	177⅖	176 59/100	7	10	5	7	8	6	37	10	0	37	2	9
February	,,	468 29/32	467 11/32	177 4/100	176 94/100	7	8	7½	7	8	3½	37	2	6	37	1	0
March	,,	469 19/100	468 13/100	176 91/100	176 76/100	7	8	6½	7	8	3	37	2	0	36	15	3

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1933-34 to 1938-39

Month	1933-34 Bombay Highest	1933-34 Bombay Lowest	1933-34 London Highest	1933-34 London Lowest	1933-34 New York Highest	1933-34 New York Lowest	1934-35 Bombay Highest	1934-35 Bombay Lowest	1934-35 London Highest	1934-35 London Lowest	1934-35 New York Highest	1934-35 New York Lowest	1935-36 Bombay Highest	1935-36 Bombay Lowest	1935-36 London Highest	1935-36 London Lowest	1935-36 New York Highest	1935-36 New York Lowest
	Rs A	Rs A	d	d	Cents	Cents	Rs A	Rs A	d	d	Cents	Cents	Rs A	Rs A	d	d	Cents	Cents
April	59 0	54 14	20 7/16	17¼	37¼	27	55 8	51 14	20¼	18¾	46½	41¾	87 0	67 10	36¼	28¼	81	61⅛
May	59 0	55 15	20½	18 3/16	36¼	32⅛	54 7	50 12	19 13/16	18 3/16	45⅝	41¾	83 12	76 13	35⅜	32⅜	77	71¼
June	58 2	56 11	19 9/16	18⅜	36¼	34¾	58 9	54 6	21⅛	19 7/16	46¼	44⅝	80 2	71 14	33¾	31	73⅞	69½
July	57 7	35 13	18⅞	17⅞	40⅜	35½	58 4	56 11	21	20 1/16	46¾	45¾	74 9	69 8	31 5/16	30 3/16	69¾	67¾
August	56 5	54 10	18⅛	17¾	37	35	60 11	57 8	21⅞	20 7/16	49¾	46⅜	71 4	64 5	30 3/16	29	67¾	65⅜
September	56 12	55 7	18½	18 1/16	40½	36⅝	61 10	60 2	22 7/16	21⅝	50	49¼	67 11	65 10	29 9/16	29	65⅜	65⅜
October	56 9	56 0	18½	18	40	36⅛	67 11	61 7	24 7/16	20¼	53⅝	49⅞	69 8	66 0	29⅝	29 5/16	65⅜	65⅜
November	57 0	56 4	18⅝	18 1/16	45	39⅜	67 12	64 1	25¼	23 7/16	55¾	52¾	67 3	64 8	29½	29 3/16	65⅜	65⅜
December	56 7	53 6	19 11/16	18 7/16	44⅜	42½	67 8	66 7	24⅞	23 13/16	55¼	53½	65 3	48 0	29¼	20⅞	65⅜	49¾
January	55 9	53 15	19 11/16	19 1/16	45	43¼	65 13	61 10	24¾	24 15/16	55	54⅛	55 6	46 12	22⅜	19	49¾	44⅜
February	56 14	54 7	20⅞	19¼	46¾	43⅜	63 6	61 0	25 11/16	24 5/16	55¼	53½	58 8	49 3	20 1/16	19 5/16	44¾	44⅜
March	57 3	54 15	20¾	19⅞	46¾	45⅛	65 9	64 7	28⅞	26 1/16	61¼	56½	57 [illegible]	49 7	20⅞	19⅞	45¾	44¾

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1933-34 to 1938-39—*Contd.*

Month	1936-37 Bombay Highest	Bombay Lowest	London Highest	London Lowest	New York Highest	New York Lowest	1937-38 Bombay Highest	Bombay Lowest	London Highest	London Lowest	New York Highest	New York Lowest	1938-39 Bombay Highest	Bombay Lowest	London Highest	London Lowest	New York Highest	New York Lowest
	Rs A	Rs A	d	d	Cents	Cents	Rs A	Rs A	d	d	Cents	Cents	Rs A	Rs A	d	d	Cents	Cents
April	52 7	49 7	20⅞	19⅞	45¾	45¾	55 12	52 8	20½	20¼	46⅝	44⅛	49 15	48 3	19⅛	18 9/16	42¾	42¾
May	52 8	49 9	20⅞	19¾	44¾	44¾	53 1	52 9	20½	20¼	45¼	44⅞	49 11	49 5	18 15/16	18⅝	42¾	42¾
June	50 0	48 8	20 1/16	19 7/16	44¾	44¾	52 13	51 5	20⅜	19¾	45	44¾	50 6	49 6	19 1/16	18 11/16	42¾	42¾
July	49 2	48 6	19¾	19⅜	44¾	44¾	52 5	51 10	20 3/16	19 13/16	44¾	44¾	51 10	50 2	19 13/16	18 15/16	42¾	42¾
August	49 0	48 0	19 11/16	19⅛	44¾	44¾	51 15	49 9	20	19¼	44¾	44¾	51 7	50 9	19 9/16	19 3/16	42¾	42¾
September	50 0	48 4	20 1/16	19 7/16	44¾	44¾	51 10	50 9	20	19 13/16	44¾	44¾	52 0	50 3	19 11/16	19 1/16	42¾	42¾
October	50 1	49 4	20⅛	19 1/16	44¾	44¾	51 1	50 10	20 1/16	19 13/16	44¾	44¾	51 7	50 13	19 13/16	19 15/16	42¾	42¾
November	55 10	49 8	22 15/16	20	47½	44¾	50 12	49 13	19⅞	19⅝	44¾	44¾	51 7	50 10	20¼	19½	42¾	42¾
December	53 0	52 1	21⅜	20 1/16	46½	45	49 14	46 8	19 11/16	18 1/16	44¾	44¾	51 2	50 6	20 3/16	19 15/16	42¾	42¾
January	52 10	49 5	21 7/16	20 1/16	45⅝	44¾	51 0	48 9	20⅜	19¼	44¾	44¾	52 7	51 13	20¼	19 15/16	42¾	42¾
February	50 13	49 5	20 5/16	20	44¾	44¾	51 10	50 9	20⅜	19 15/16	44¾	44¾	52 6	51 15	20 7/16	19 15/16	42¾	42¾
March	53 11	48 15	21⅛	20 3/16	45¾	44¾	51 15	48 6	20 9/16	18⅜	44¾	42¾	52 12	52 4	20⅝	19⅞	42¾	42¾

Monthly rates for Telegraphic Transfers (Calcutta—London) from 1932-33 to 1937-38.

(Pence per Rupee)

	1933-34		1934-35		1935-36		1936-37		1937-38		1938-33	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
April	18 1/32	17 31/32	18 1/16	18 1/16	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	18 5/32	17 27/32
May	18 1/16	18 1/32	18 1/16	17 31/32	18 3/32	18 3/32	18 3/2	18 3/32	18 5/32	18 3/32	18	17 25/32
June	18 1/32	18 1/32	18 1/32	18	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 33/2	17 27/32	17 3/4
July	18 1/32	18 1/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	17 31/32	17 25/32
August	18 1/32	18 1/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	17 31/32	17 25/32
September	18 1/32	17 15/16	18 1/16	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	17 31/32	17 13/16
October	18 1/32	17 31/32	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	17 31/32	17 7/8
November	18	17 13/16	18 1/32	18 1/32	18 3/32	18 3/32	18 3/32	18 3/32	18 5/32	18 3/32	17 31/32	17 29/32
December	18 1/32	17 15/16	18 1/16	18 1/32	18 3/32	18 1/8	18 3/32	18 3/32	18 3/16	18 3/32	17 31/32	17 7/8
January	18 1/16	18 1/32	18 1/8	18 1/16	18 3/32	18 1/8	18 1/8	18 1/8	18 5/32	18 3/32	17 29/32	17 29/32
February	18 1/16	18 1/32	18 1/8	18 1/8	18 3/32	18 3/32	13 1/8	18 1/8	18 5/32	18 3/32	17 29/32	17 29/32
March	18 1/16	18 1/16	18 1/8	18 1/16	18 3/32	18 3/32	18 3/32	18 3/32	18 3/16	18 3/32	17 15/16	17 15/16

Monthly Purchase of Sterling from 1933-34 to 1938-38.

	1933-34		1934-35		1935-36		1936-37		1937-38		1938-39	
	Amount Thousand £	Average rate per rupee d	Amount Thousand £	Average rate per rupee d	Amount Thousand £	Average rate per rupee d	Amount Thousand £	Average rate per rupee d	Amount Thousand £	Average rate per rupee d	Amount Thousand £	Average rate per rupee d
April	2,668	18 06	5,032	18 07	3,63	18 125	5,570	18 125	5,480	18 125	3,03	18 125
May	5,075	18 07	2,350	18 06	5,365	,,	1,000	,,	95	,,		
June	3,685	18 06	430	18 06	2,768	,,	2,225	,,	985	,,		
July	3,250	18 06	1,050	18 06	1,100	,,	2,555	,,	425	,,	4,15	17 9375
August	3,113	18 06	3,330	18 06	2,645	,,	1 430	,,	753	,,	6,60	,,
September	770	18 06	3,826	18 06	3,590	,,	3,565	,,	80	,,	6,30	,,
October	1,800	18 06	3,129	18 06	1,700	,,	5,000	,,	3,035	,,	1,625	,,
November			1,225	18 06	3,130	,,	4,000	,,	650	,,	1,135	,,
December	1,380	18 06	3,640	18 07	3,025	,,	3,980	,,	570	,,	1,193	,,
January	7,633	18 08	7,650	18 11	5,400	,,	11,922	,,	3,270	,,	6,495	,,
February	8,695	18 08	3,105	18 12	2,595	,,	8,130	,,	4,945	,,	7,707	,,
March	7,089	18 07	2,775	18 13	3,145	,,	4,125	,,	4,882	,,	5,305	17 933
TOTAL	45,158		37,542		34 826	18 125	53,532	18 125	25,140	18 125	25,468	17 9375

Monthly Sales and Discharges of Treasury Bills, 1934-38 to 1938-39
(*In Lakhs of Rs.*)

Month	1934-35 Sales	1934-35 Discharges	1935-36 Sales	1935-36 Discharges	1936-37 Sales	1936-37 Discharges	1937-38 Sales	1937-38 Discharges	1938-39 Sales	1938-39 Discharges
April	9,55	7,56	2,00	8,29	5,00	8,00	5,00	8,00	9,00,00	729,25
May	5,00	7,02	4,98	7,48	8,00	1,00	4,00	4,00	415,25	1128,50
June	1,00	18,57	4,00	2,50		3,00	4,00	4,00	417,50	2156,50
July	3,37	9,61	2,00	2,00	10,00	5 00	5,00	5,00	664,25	9,00,00
August	17,24	5,86		4,98	8,00	8,00	5,00	4,00	700,00	4,15,25
September	8,96	20	8,00	4,00	8 00		8,00	4,00	916,25	3,17,50
October	7,71	3,36	7,79	3,00	10,00	10,00	8,00	5,00	950,00	6,64,75
November	12 23	17,22	10,00		8,00	8,00	5,00	5,00	1050 00	7,00,00
December	5,51	8,99	6,09	16,65	8,00	8,00	10,00	8,00	800,00	9,16,25
January	8,51	7,61	8,00	11,87	8,00	10,00	8,00	6,00	400,00	12 60,30
February	7,25	12,30	1,00	10,00	4,00	8,00	6,00	5 00	600,00	9,33,75
March	2,50	5,55	3,00	6,00	4,00	8,00	4,00	10,00	821,25	8,63,00

Cash Balances of the Government of India 1935-36.

End of		At the Reserve Bank of India	At Treasuries	In England	Total
April	1937	10,00,78	1,21,61	71,21	11,93,60
May	,,	9,38,22	1,16,99	84,38	11,39,59
June	,,	8,59,23	1,17,35	73,27	10,49,85
July	,,				
August	,,	11,85,27	1,14,87	70,77	13,70,91
September	,,	12,46,48	1,24,99	67,33	14,38,80
October	,,	9,61,58	1,13,84	68,82	11,48,24
November	,,	7,20,75	1,21,74	97,63	9,40,12
December	,,	7,22,04	1,13,84	91,93	9,27,81
January	,,	10,17,34	1,17,73	73,66	12,08,73
February	,,	14,74,28	1,22,55	72,87	16,69,70
March	,,	17,71,87	1,90,44	95,97	20,58,28
April	1938	15,81,60	418,33	92,10	17,91,83
May	,,	13,73,37	18,16	96,54	14,88,07
June	,,	17,38 00	1,13,00		18,51,00
July	,,	8,48,31	18,20	76,65	9,43,16
August	,,	10,64,44	17,53	87,20	11,69,17
September	,,	11,84,35	20,55	88,67	12,93,57
October	,,	6,30,39	15,36	76,45	7,22,20
November	,,	7,27,65	16,04	79,63	8,23,32
December	,,	6,11,38	20,62	76,17	7,08,17
January	1939	6,16,98	14,29	74,80	7,06,07
February	,,	6,76,57	15,38	76,51	7,68,45
March	,,	12,04,88	26,10	76,59	13,05,57

Government of India Ways and Means Advances and Treasury Bills Transactions with the public during 1938-39.

(In thousand of Rupees)

Opening Balance on 1-4-1938	Ways and Means Advances Net			Treasury Bills 18,11,50			
1938-39	Advances Taken	Advances Repaid	Outstanding at the end of each month	Sales	Discharge	Outstanding at the end of each month	Total outstanding of ways and means advances and Treasury Bills
April	1,00,00	1,00,00		9,00,00	8,04,50	19,07,00	19,07 00
May				4,15,25	7,50,50	15,71,75	15,71,75
June				4,17,50	3,46,00	16,43,25	16,43,25
July				6,64,25	8,06,50	15,01,00	15,01,00
August				7,00,00	4,17,00	17,84,00	17,84,00
September				9,16,25	4,19,25	22,81,00	22,81,00
October	9,00,00	6,50,00	2,50,00	9,50,00	6,60,75	25,70,25	28,20,25
November	2,50,00	5,00,00		12,43,75	7,03,00	31,11,00	31,11,00
December	1,00,00	50,00	50,00	8,63,00	9,16,75	30,57,25	31,07,25
January, 1939	8,50,00	5,50,00	3,50 00	7,29,25	9,47,75	28,38,75	31,88,75
February, ,,	5,00,00	7,50,00	1,00,00	11,28,50	12,51,00	27,16,25	28,16,25
March ,,	5,50,00	6,50,00		8,21,25	8,88,50	26,79,00	26,79,00

Details of sale of Provincial Government Treasury Bills During 1938-39.

(In 000 s Rupees)

Week ended	Issuing Government	Period	Amount offered for tender	Amount tendered	Amount sold	Average rate of discount % per annum	Amount outstanding with the public
April, 22, 1938	C P & Berar	9 months	25,00	35,00	25,00	1 9 4	40,00
,, 22, ,,	,,	3 ,,	15,00	25,00	15,00	1 12 0	
June, 3, ,,	,,	9 ,,	20,00	25,00	20,00	1 11 0	60,00
Aug, 12, ,,	Madras	6 ,,	50,00	65,00	50,00	1 3 11	50,00
,, 19, ,,	C P & Berar	6 ,,	30,00	36,00	30 00	1 9 0	75 00
Sept, 2, ,,	Assam	6 ,,	15,00	15,00	15,00	1 12 0	15,00
Oct, 21, ,,	Madras	3 ,,	50,00	52,75	50,00	1 8 9	1,00,00
,, 28, ,,	U P	3 ,,	80,00	85,00	80,00	1 8 11	80,00
Nov, 4, ,,	C P & Berar	8 ,,	55,00	55,75	55,00	1 5 11	1,55,00
,, 4, ,,	,,	3 ,,	25,00	48,00	25,00	1 9 2	
25, ,,	Madras	3 ,	60,00	81,00	60,00	1 10 8	1,60,00
Dec, 2, ,,	,,	3 ,,	30,00	44,00	30 00	1 12 0	1,90,00
,, 9, ,,	Assam	3 ,,	20,00	25,50	20,00	1 15 6	35,00
Feb, 3, 1939	C P & Berar	4 ,,	25,00	35,00	25,00	2 13 0	1,55,00
March, 3, ,,	Assam	4 ,,	25,00	27,00	25,00	2 12 0	45,00
,, 24, ,,	,,	3 ,,	15,00	15,00	15,00	2 8 0	40,00
,, 31 ,,	C. P & Berar	3 ,,	30,00	47,00	30,00	2 9 1	1,10,00

Post office Cash Certificates.

(In lakhs of Rupees)

	Receipts		Repayments		Net receipts		Total amount Outstanding	
1917-18	10,00		1,12		8,88		8,88	
1918-19 / 1919-20	4,03		7,16		–3,13		5,75	
1920-21 / 1921-22	1,00		2,41		–1,41		4,34	
1922-23 / 1923-24	7,61		3,53		4,08		8,42	
1924-25 / 1925-26	15,65		3,10		12,55		20,97	
1926-27 / 1927-28	13,61		3,88		9,73		30,70	
1928-29	4,91		3,31		1,60		32,30	
1929-30	7,15		4,45		2,70		35,00	
1930-31	11,78		8,35		3,43		38,43	
1931-32	14,49		8,34		6,15		44,58	
1932-33	15,74		4,68		11,06		55,64	
1933-34	13,31		5,24		8,07		63,71	
1934-35	9,95		7,70		2,25		65,96	
1935-36	13,45		13,43		2		65,98	
1936-37	14,88		16,46		—1,58		64,40	
	India	Burma	India	Burma	India	Burma	India	Burma
1937-38	13,97	35	18,16	3	—4,19	32	60,21	32
1938-39	14,71	33	15,35	5	—64	27	59,57	59

Post Office Savings Bank

	Deposits	Withdrawals	Interest	Net increase	Amount Outstanding at the end of the year
1913—14	10,99	9,04	61	2,56	23,16
1914—15	9,07	17,88	58	—8,28	14,89
1915—16	7,73	7,73	43	43	15,32
1916—17	8,93	8,10	45	1,28	16,59
1217—18	9,72	10,17	44	—1	16,58
1918—19	12,99	11,21	46	2,24	18,82
1919—20	17,18	15,22	56	2,52	21,34
1920—21	18,22	17,33	62	1,51	22,86
1921—22	17,11	18,82	61	—60	22,26
1922—23	17,07	16,75	62	94	23,19
1923—24	17,71	16,79	67	1,59	24,78
1924—25	17,44	17,64	71	51	25,68
1925—26	19,05	18,19	73	1,59	27,28
1926—27	20,38	18,89	79	2,28	29,50
1927—28	23,14	20,84	86	3,16	32,66
1928—29	26,24	25,39	97	1,82	34,49
1929—30	26,25	24,63	1,02	2,64	37,13
1930—31	24,36	25,50	1,04	10	37,02
1931—32	27,39	27,29	1,08	1,18	38,20
1932—33	30,96	26,86	1,15	5,25	43,45
1933—34	36,87	29,37	1,28	8,78	52,23
1934—35	38,67	37,26	1,34	2,75	58,30
1935—36	46,33	38,88	1,50	8,95	67,25
1936—37	43,38	37,40	1,45	7,43	74,68

	Deposits India	Deposits Burma	Withdrawals India	Withdrawals Burma	Interest India	Interest Burma	Net increase India	Net increase Burma	Amount Outstanding India	Amount Outstanding Burma
1937—38	43,27	1,44	39,76	1,29	1,46	4	4,97	19	*77,56	†2,28
1938—39	44,61	1,51	41,65	1,33	1,42	5	4,38	22	81,94	2,50

* Excludes Rs 2,09 lakhs being the amount at the credit of deposits in Burma at the time of separation

† ,, Rs 2,09 ,, ,, ,, ,, ,, ,,

Composition of Paper Currency Reserve

(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1914											
March	66,12	22,44	9,15	31,59	20,59		20,53	10,00	4,00		47 8
April	65,46	20,34	9,15	29,49	21,97		21,97	10,00	4,00		45 1
May	66,77	18,91	9,15	28,06	24,71		24,71	10,00	4,00		42 0
June	70,26	18,00	9,15	27,15	29,11		29,11	10,00	4,00		38 6
July	75,45	18,36	9,15	27,51	33,94		33,94	10,00	4,00		36 5
August	65,79	6,16	7,65	13,81	37,98		37,98	10,00	4,00		21 0
September	60,52	3,92	7,65	11,57	34,95		34,95	10,00	4,00		19 1
October	60,78	6,34	7,65	13,99	32,79		32,79	10,00	4,00		23 0
November	61,19	8,86	7,65	16,51	30,68		30,68	10,00	4,00		27 0
December	60,83	9,31	7,65	16,96	29,87		29,87	10,00	4,00		27 9
1915											
January	60,26	8,31	7,65	15,96	30,30		30,30	10,00	4,00		26 5
February	59,55	6,71	7,65	14,36	31,19		31,19	10,00	4,00		24 1
March	61,63	7,64	7,65	15,29	32,34		32,34	10,00	4,00		24 8
April	60,24	7,69	7,65	15,34	30,90		30,90	10,00	4,00		25 5
May	61,99	7,75	7,66	15,40	32,59		32,59	10,00	4,00		24 8
June	66,48	7,77	7,65	15,42	37,06		37,06	10,00	4,00		23 2
July	68,06	7,82	6,15	13,97	40,09		40,09	10,00	4,00		20 5
August	66,41	6,34	6,15	12,49	39,92		39,92	10,00	4,00		18 8
September	63,81	5,91	6,15	12,06	37,75		37,75	10,00	4,00		08 9
October	63,59	7 05	6,15	13,20	36,39		36,39	10,00	4,00		2 8
November	62,06	8,31	6,15	14,46	33,60		33,60	10,00	4,00		23 3
December	62,34	12,75	6,15	18,90	29,44		29,44	10,00	4,00		30 3

Composition of Paper Currency Reserve—(Contd)

(*In Lakhs of Rs*)

Last day of Month	Gross Note Circulation	Gold			Silver			Securities		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1916											
January	62,42	12,74	8,18	20,92	26,02		26,02	10,00	5,48		33 5
February	64,01	12,58	8,93	21,51	24,00		24,00	10,00	8,50		33 6
March	67,73	12,24	11,92	24,16	23,06	51	23,57	10,00	10,00		35 8
April	65,47	12,25	11,92	24,17	18,55	1,47	20,02	10,00	11,28		36 9
May	66,31	12,12	11,92	24,04	17,68	1,53	19,21	10,00	13,06		36 3
June	71,39	12,51	11,92	24,43	22,43	1,47	23,90	10,00	13,06		34 2
July	75,48	12,29	11,92	24,21	26,83	1,38	28,21	10,00	13,06		32 1
August	74,01	11,66	11,92	23,58	26,81	56	27,37	10,00	13,06		31 9
September	71,55	10,99	11,92	22,91	24,24	1,34	25,58	10,00	13,06		32 0
October	73,32	12,56	11,92	24,48	23,97	1,67	25,64	10,00	13,06		33 4
November	76,50	12,38	11,92	24,30	18,07	1,89	19,96	10,00	22,24		31 8
December	82,17	11,92	11,92	23,84	14,39	2,98	17,37	10,00	30,96		29 0
1917											
January	84,36	12,57	10,42	22,99	15,04	2,44	17,48	10,00	33,88		27 3
February	86,76	12,17	8,92	21,09	15,82	2,52	18,34	10 00	37,32		24 3
March	86,37	12,00	6,67	18,67	17,08	2,13	19,21	10,00	38,49		21 6
April	82,72	11,39	5,17	16,56	13,67	1,70	15,37	10,00	40,78		20 0
May	88,31	9,94	5,17	15,11	14,68	85	15,53	10,00	47,67		17 1
June	93,29	7,07	4,80	11,87	19,61	63	20,24	10,00	51,17		12 7
July	99,31	7,03	4,42	11,45	25,90	48	26,38	10,00	51 48		11 5
August	1,05,15	12,12	2,55	14,67	28,55	45	29,00	10,00	51,48		14 0
September	1,08,43	15,86	1,52	17,38	28,88	69	29,57	10,00	51,48		16 0
October	1,14,77	21 91	1,92	23 83	28,88	58	29,46	10,00	51,48		20 8
November	1 12 93	24 65	2,30	26,95	24 01	49	24,50	10 00	51 48		23 9
December	1,08,31	26,73	1,04	27,77	13,27	79	16,00	10,00	1,48		24 7

Composition of Paper Currency Reserve—(*Contd.*)

(*In Lakhs of Rs*)

Last day of Month	Gross Note Circulation	Gold In India	Gold Out of India	Gold Total	Silver Coin	Silver Bullion	Silver Total	Securities Rupee Securities	Securities Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1918											
January	1,04,82	27,19	1,04	28,23	14,92	19	15,11	10,00	51,48		26 9
February	1,03,46	28,30	67	28,97	12,56	45	13,01	10 00	51,48		28 0
March	99,79	26,85	67	27,52	10,40	39	10,79	10,00	51,48		27 6
April	1,05,96	22,54	45	23,09	7,26	6,46	13,72	10,00	59,19		21 8
May	1,11,53	19,12	45	19,57	5,14	10,42	15,56	10,00	64,16		17 5
June	1,14,79	21,04	45	21,49	5,66	9,29	14,95	10,00	68,40		18 7
July	1,21,41	20,21	12	20,33	8,02	10,40	18,42	10,00	72,65		16 7
August	1,31,41	20,33	12	20,45	11,18	13,78	24,96	10,00	76,00		15 5
September	1,34,38	20,38	12	20,50	12,38	15,50	27,88	10,00	76,00		15 3
October	1,36,43	20,41	12	20,53	10,49	19,42	29,91	10,00	75,99		15 0
November	1,40,76	20,45	12	20,57	8,48	25,71	34,19	10,00	76,00		14 6
December	1,47,09	19,68	12	19,80	10,56	21,57	32,13	12,66	82,50		13 5
1919											
January	1,49,74	18,91	12	19,03	11,58	20,54	32,12	16,08	82,50		13 4
February	1,51,48	18,14	12	18,26	13,50	21,15	34,65	16,08	82,50		12 1
March	1,53,46	17,37	12	17,49	16,66	20,73	37,39	16,08	82,50		11 4
April	1,53,72	14,55	3,00	17,55	18,01	19,58	37,59	16,08	82,50		11 4
May	1,55,18	16,11	1,50	17,61	19,61	19,38	38,99	16,08	82,50		11 4
June	1,62,76	17,69		17,69	23,55	22,94	46,49	16,08	82,50		10 9
July	1,67,11	19,13		19,13	28,49	20,91	49,40	16,08	82,50		11 4
August	1,68,92	19,26	9	19,35	31,48	19,51	50,99	16,08	82,05		11 4
September	1,71,86	18,45	2,92	21,37	34,35	16,62	50,97	17,03	82,50		12 4
October	1,75,29	19,25	5,59	24,84	35,59	15,33	50,92	17,03	82,50		14 2
November	1,79,67	23,54	9,16	32 70	32,84	14,60	37,44	17,03	82,50		18 2
December	1,82,91	29,61	10,10	39,71	29,64	14 03	44,67	17,03	82,50		21 7

Composition of Paper Currency Reserve—(*Contd.*)

(In Lakhs of Rs)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1920											
January	1,85,15	35,10	11,62	46,72	28,38	11,95	40,33	15,60	82,50		25 2
February	1,83,03	41,30	4,65	45,95	29,85	9,14	38,99	15,60	82,50		25 1
March	1,74,52	44,36	3,45	47,81	33,22	6,63	39,85	19,59	67,27		27 4
April	1,70,74	45,38	95	46,33	33,81	5,56	39,37	23,77	61,27		27 1
May	1,66,92	42,86	74	43,60	37,10	4,27	41,37	31,18	50,77		26 1
June	1,64,34	43,48	2,49	45,97	41,94	3,61	45,55	35,55	37,27		28 0
July	1,63,87	44,62		44,62	46,75	3,61	50,36	40,62	28,27		27 2
August	1,63,27	39,12		39,12	51,62	3,67	55,29	47,33	21,53		24 0
September	1,57,63	36,15		36,15	54,34	3,72	58,06	47,14	16,28		22 9
October	1,59,58	23,75		23,75	55,60	3,81	59,41	68,07	8,35		14 9
November	1,60,21	23,86		23,86	56,05	3,88	59,93	68,07	8,35		14 9
December	1,61,40	23,89		23,89	57,13	3,96	61,09	68,07	8,35		14 8
1921											
January	1,63,41	24,00		24,00	58,95	4,04	62,99	68,07	8,35		14 7
February	1,64,60	24,06		24,06	60,03	4,09	64,12	68,07	8,35		14 6
March	1,66,16	24,17		24,17	61,42	4,14	65,56	68,07	8,35		14 5
April	1,67,32	24,26		24,26	62,45	4,20	66,65	68,06	8,35		14 5
May	1,67,81	24,30		24,30	62,97	4,20	67,17	67,99	8,35		14 5
June	1,71,76	24,35		24,35	66,87	4,20	71,07	67,99	8,35		14 2
July	1,75,56	24,35		24,35	70,60	4,21	74,81	68,05	8,35		13 9
August	1,76,02	24,35		24,35	72,19	4,21	76,40	66,92	8,35		13 8
September	1,78,37	24,34		24,34	74,55	4,21	78,76	66,92	8,35		13 6
October	1,79,72	24,34		24,34	75,76	4,21	79,97	67,06	8 35		13 5
November	1,73,48	24,33		24,33	74,20	4,21	78,41	64,40	6,34		14 0
December	1,72,53	24 32		24,32	69,76	4,21	73,97	68,40	5,85		14 1

Composition of Paper Currency Reserve.—(*Contd*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1922											
January	1,74,40	24,32	...	24,32	70,28	4,55	74,83	69,39	5,85		13 9
February	1,73,87	24,32		24,32	71,72	4,55	76,27	67,43	5,85		14 0
March	1,74,76	24,32		24,32	72,96	4,56	77,52	65,08	5,85	2,00	13 9
April	1,71,76	24,32		24,32	71,95	4,56	76,51	65,09	5,85		
May	1,72,39	24,32		24,32	72,50	4,56	77,06	65,17	5,85		14 2
June	1,76,01	24,32		24,32	76,17	4,56	80,73	65,12	5,85		14 1
											13 8
July	1,80,41	24,32		24,32	80,53	4,56	85,09	65,15	5,85		13 5
August	1,82,26	24,32		24,32	83,76	4,56	88,32	63,78	5,85		13 3
September	1,80,76	24,32		24 32	85,11	4,56	89,67	60,92	5,85		13 5
October	1,79,63	24,32		24,32	86,54	4,56	91,10	58,37	5,85		13 5
November	1,77,30	24,32		24,32	85,16	4,56	89,72	57,42	5,85		13 7
December	1,74,18	24,32		24,32	82,03	5,56	86,59	57,42	5,85		14 0
1923											
January	1,72,65	24,32		24,32	80,49	4,56	85,05	57,43	5,85		14 1
February	1,73,89	24,32		24,32	81,73	4,56	86,29	57,43	5,85		14 0
March	1,74,70	24,32		24,32	82,50	4,56	87,06	57,48	5,85		13 9
April	1,73,37	24,32		24,32	79,09	4,56	83,65	57,55	5,85	2,00	14 0
May	1,71,23	24,32		24,32	79,01	4,56	83,57	57,50	5,85		14 2
June	1,73,61	24,32		24,32	81,39	4,56	85,95	57,50	5,85		14 0
July	1,75,72	24,32		24,32	85,48	4,56	90,04	57,51	5,85		13 8
August	1,76,30	24,32		24,32	89,91	4,56	94,47	57,51			13 8
September	1,79,29	24,32		24,32	92,66	4,83	97,49	57,48			13 6
October	1,80,82	24,32		24,32	93,48	5,54	99,02	57,48			13 4
November	1,78,30	22,32		22,32	89,88	5,62	95,50	57,48	3,00		12 5
December	1,83,41	22,32		22,32	80,97	5,64	86,61	57,48	9,00	8,00	12 2

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold			Silver			Securities		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1924											
January	1,84,02	22,32		22,32	76,49	5,69	82,18	57,52	14,00	8,00	12 1
February	1,86,19	22,32		22,32	74,64	5,70	80,34	57,53	14,00	12,00	12 0
March	1,85,85	22,32		22,32	74,18	5,82	80,00	57,53	14,00	12,00	12 0
April	1,81,33	22,32		22,32	71,50	5,99	77,49	57,53	14,00	10,00	12 3
May	1,74,51	22,32		22,32	70,56	6,10	76,66	57,53	14,00	4,00	12 8
June	1,72,49	22,32		22,32	72,47	6,18	78,65	57,53	14,00		12 9
July	1,76,24	22,32		22,32	76,23	6,34	82,57	57,35	14,00		12 7
August	1,78,13	22,32		22,32	78,06	6,42	84,48	57,34	14,00		12 5
September	1,79,26	22,32		22,32	79,15	6,48	85,63	57,31	14,00		12 4
October	1,80,98	22,32		22,32	80,07	6,47	86,54	57,13	15,00		12 3
November	1,80,06	22,32		22,32	78,13	6,49	84,62	57,13	16,00		12 4
December	1,79,21	22,32		22,32	74,21	6,56	80,77	57,13	17,00	2,00	12 4
1925											
January	1,81,12	22,32		22,32	71,11	6,56	77,67	57,13	20,00	4,00	12 3
February	1,83,72	22,32		22,32	69,51	6,77	76,28	57,13	20,00	8,00	12 2
March	1,84,19	22,32		22,32	70,02	6,73	76,75	57,13	20,00	8,00	12 1
April	1,79,61	22,32		22,32	67,40	6,77	74,17	57,13	20,00	6,00	12 4
May	1,73,23	22,32		22,32	66,95	6,80	73,75	57,16	20,00		12 9
June	1,78,25	22,32		22,32	71,86	6 89	78,75	57,18	20,00		12 5
July	1,84,30	22,32		22,32	77,85	6,95	84,80	57,18	20,00		12 1
August	1,88,21	22,32		22,32	81,79	6,99	88,78	57,12	20,00		11 9
September	1,89,51	22,32		22,32	83,04	7,05	90,09	57,11	20,00		11 8
October	1,91,77	22,32		22,32	83,21	7,13	90,34	57,11	22,00		11 6
November	1,89,68	22,32		22,32	80,02	7,23	87,25	57,11	23,00		11 8
December	1,91,76	22,32		22,32	76,06	7,27	83,33	57,11	29,00		11 6

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1926											
January	1,91,18	22,32		22,32	75,38	7,37	82,75	57,11	29,00		11 67
February	1,91,76	22,32		22,32	75,91	7,42	83,33	57,11	29,00		11 63
March	1,93,34	22,32		22,32	77,25	7,66	84,91	57,11	29,00		11 54
April	1,85,13	22,32		22,32	77,04	7,66	84,70	57,11	21,00		12 05
May	1,87,08	22,32		22,32	78,85	7,75	86,60	57,16	21,00		12 00
June	1,91,44	22,32		22,32	83,05	7,87	90,92	57,20	21,00		11 65
July	1,97,48	22,32		22,32	88,91	7,94	96,85	57,31	21,00		11 30
August	2,00,53	22,32		22,32	91,96	7,87	99,83	57,38	21,00		11 13
September	1,96,45	22,32		22,32	94,86	7,87	1,02,73	57,40	14,00		71 36
October	1,93,79	22,32		22,32	96,83	8,04	1,04,87	52,60	14,00		11 50
November	1,89 15	22,32		22,32	97,52	8,04	1,05,56	51,27	10,00		11 80
December	1,81,18	22,32		22,32	95,32	8,20	1,03,52	49,77	5,57		12 30
1927											
January	1,80,47	22,32		22,32	94,47	8,34	1,02,81	49,77	5,57		12 37
February	1,82,74	22,32		22,32	94,64	8,44	1,03,08	49,77	5,57	2,00	12 35
March	1,84,13	22,32		22,32	95,94	8,53	1,04,47	49,77	5,57	2,00	12 25
April	1,73,71	29,76		29,76	95,53	8,86	1,03,39	37,46	2,10		17 13
May	1,71,44	29,76		29,76	95,20	8,92	1,04,12	35,46	2,10		17 36
June	1,72,57	29,76		29,76	98,36	8,99	1,07,35	35,46			17 24
July	1,77,63	29,76		29,76	1,03,36	9,06	1,12,42	35,45			16 75
August	1,80,48	29,76		29,76	1,06,00	8,90	1,14,90	35,63	19		10 49
September	1,81,82	29,76		29,76	1,07,34	7,35	1,14,69	36,35	1,02		16 37
October	1,83,38	29,76		29,76	1,08,27	7,31	1,15,58	36,75	1,29		16 25
November	1,81,55	29,76		29,76	10'6,33	7,17	1,13,50	36,89	1,40		16 40
December	1,82,64	29,76		29,76	1,01,11	7,42	1,08,53	36,92	3,43	4,00	16 66

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Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1928											
January	1,86,02	29,76		29,76	98,46	7,47	1,05,93	37,89	4,44	8,00	16 70
February	1,85,78	29,76		29,76	98,79	7,57	1,06,36	37,89	3,77	8,00	16 72
March	1,84,87	29,76		29,76	98,72	7,66	1,06,38	37,96	3,77	7,00	16 73
April	1,82,78	29,76		29,76	96,11	6,66	1,02,77	38,98	3,77	7,50	17 00
May	1 83,01	29,76		29,76	94,58	6,30	1,00,88	39,60	3,77	9,00	17 10
June	1,77,16	29,76		29,76	97,45	3,59	1,01,04	41,84	4,52		16 80
July	1,80,79	29,76		29,76	1,00,79	2,34	1,03,13	42,73	5,17		16 46
August	1,82,90	29,76		29,76	1,02,51	2,71	1,05,22	42,60	5,82		16 27
September	1,84,60	29,76		29,76	1,04,02	2,87	1,06,89	42,34	5,61		16 72
October	1,84,66	29,76		29,76	1,03,81	3,02	1,06,83	42,33	5,74		16 11
November	1,83,15	30,09		30,09	1,01,13	3,76	1,04,89	42,33	5,84		16 43
December	1,89,00	31,10		31,10	96,16	4,62	1,00,78	43,27	6,85	7,00	17 09
1929											
January	1,89,74	32,21		32,21	94,67	4,88	99 55	43,27	7,71	7,00	17 62
February	1,92,47	32,21		32,21	94,85	5,11	99,96	43,27	10,53	6,50	17 32
March	1,88,03	32,22		32,22	94,94	4,95	99,89	43,23	10,69	2,00	17 32
April	1,83,66	32,22		32,22	94,90	4,48	99,38	43,23	8,83		17 32
May	1,84,16	32,22		32,22	95,40	4,17	99,57	43,23	9,14		17 50
June	1,87,71	32,22		32,22	97,77	4,88	1,02,65	43,22	9,62		17 11
July	1,85,72	32,22		32,22	1,03,82	4,62	1,08,44	43,19	1,87		17 35
August	1,85,20	32,22		32,22	1,07,23	4,58	1,11,81	39,13	2,04		17 40
September	1,86,80	32,22		32,22	1,08,05	4,95	1,13,00	39,17	2,41		17 25
October	1,84,83	32 22		32 22	1,08,93	4,65	1,13,58	36,32	2,71		16 99
November	1,80,77	32 22		32,22	1 07 19	3,97	1,11,16	36 32	1,07		17 82
December	1,79,41	32 22		32,22	1 03,77	4,28	1,08,05	37 33	1,81		17 98

Composition of Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1930											
January	1,80,21	32,27		32,27	1,04,29	2,33	1,06,62	38,85	2,47		17 91
February	1,81,60	32,27		32,27	1,05,69	1,82	1,07,51	38,88	2,94		17 77
March	1,77,23	32,27		32,27	1,08,11	2,85	1,10,96	33,85	15		18 20
April	1,73,90	32,27		32,27	1,07,22	3,38	1,10,60	30 73	30		18 55
May	1,67,78	32,28		32,28	1,07,04	3,48	1,10,52	24,36	62		19 24
June	1,63,73	32,28		32,28	1,08,91	3,48	1 12,39	18,33	73		19 10
July	1,68,26	32,28		32,28	1,13 37	3,49	1,16,86	18,39	73		19 18
August	1,68,87	32,28		32,28	1,15,43	5,25	1,20,68	14,68	1,23		19 11
September	1,71,47	32,28		32,28	1,15,92	5,83	1,21,75	15,59	1,85		18 82
October	1,70,14	32,28		32,28	1,17,47	5,63	1,23,10	12,73	2,03		18 97
November	1,64,84	32,28		32,28	1,16,90	5,76	1,22,66	8,67	1,23		19 58
December	1,61,34	31,74		31,74	1,14,60	5 39	1,19,99	9,61			19 67
1931											
January	1,58,20	26,21		26,21	1,15,32	5,80	1,21,12	9,87		1,00	16 67
February	1,56,53	23,77		23,77	1,16,09	6,58	1,22,67	10,09			15 18
March	1,60,84	25,85		25,85	1,17,86	6,94	1,24,80	10,19			16 00
April	1,60,14	27,54		27,54	1,18,20	7,20	1,25,40	7,20			17 20
May	1,54,79	20,21		20,21	1,19,61	7,83	1,27,44	7,14			13 05
June	1,52,54	17,14		17,14	1,22,44	7,59	1,30,03	5,37			11 23
July	1,55,65	16,56		16,56	1,25,66	6,90	1,32,56	6,53			10 64
August	1,53,58	12,37		12,37	1,26,94	5,11	1,32,05	9,16			14 63
September	1,48,74	4,21		4,21	1,26,81	5,73	1,32,54	9,49		2,50	2 88
October	1,59,75	4,30		4,30	1,24,65	6,92	1,31 57	23,88			2 77
November	1,62,35	4,48		4,48	1,21,61	7,44	1,29,05	28,52			2 76
December	1,79,30	4,57		4,57	1,15,04	7 94	1,22,98	49,25		2,50	2 58

Composition of the Paper Currency Reserve.—(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	Gold: In India	Gold: Out of India	Gold: Total	Silver: Coin	Silver: Bullion	Silver: Total	Securities: Rupee Securities	Securities: Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1932											
January	1,79,16	4,83		4,83	1,08,88	6,95	1,15,83	55,00		3,50	2 74
February	1,79,54	4,92		4,92	1,04,11	8,09	1,12,20	59,42		3,00	2 78
March	1,78,14	5,26		5,26	1,01,96	9,22	1,11,18	57,94		3,75	3 01
April	1 68,31	5,53		5,53	1,00,81	9,69	1,10,50	52,28			3 27
May	1,68,47	10,71		10,71	99,83	10,67	1,10,50	47,26			6 35
June	1,70,85	10,78		10,78	1,01,30	10,58	1 11,88	48,19			6 32
July	1,74,23	10,86		10,86	1,03,64	10,75	1,14,39	48,98			6 26
August	1,75,58	11,11		11,11	1,04,04	10,98	1,15,02	49,45			6 32
September	1,75,77	11,34		11,34	1,03,01	12,28	1,15,29	49 14			6 43
October	1,75,85	11,53		11,53	1,02,06	12,86	1,14,92	49,40			6 54
November	1,75,63	11,75		11,75	1,00,49	12,48	1,12,97	50,91			6 72
December	1,74,80	18,68		18,68	97,83	12,83	1,10,66	45,46			10 70
1933											
January	1,74,33	25,52		25,52	96,26	13,28	1,09,54	39 27			14 64
February	1,75,25	25,68		25,68	96,03	14,34	1,10,37	39,20			14 65
March	1,76,90	25,99		25,99	96,34	15,52	1,11,86	39,05			14 70
April	1,76,66	26,26		26,26	95,70	15,88	1,11,58	38,82			14 80
May	1,75,69	26,45		26,45	94,27	14,94	1,09,21	40,03			15 05
June	1,76,57	29,07		29,07	93,92	9 52	1,03,44	44,06			16 45
July	1,78,88	29,13		29,13	95,28	9,84	1,05,12	14,63			16 30
August	1,79,76	29,31		29,31	95,45	9,96	1,05,41	45,04			1[illegible] 30
September	1,79,70	29,51		29,51	94,61	10,16	1,04,77	45,42			16 40
October	1,80,04	29,70		29,70	94,33	9,91	1,04,24	46,10			16 50
November	1,79,64	30,24		30,24	92,97	10,30	1,03,27	46,13			16 80
December	1,78,11	30,51		30,51	90,74	10,49	1,01,23	46,37			17 10

Composition of the Paper Currency Reserve —(*Contd.*)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD In India	GOLD Out of India	GOLD Total	SILVER Coin	SILVER Bullion	SILVER Total	SECURITIES Rupee Securities	SECURITIES Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1934											
January	1,77,99	37,32		37,32	89,61	10,70	1,00,31	40,36			21 00
February	1,77,29	37,56		37,56	87,81	11,13	98,94	40,79			21 20
March	1,77,22	41,53		41,53	86,49	11,50	97,99	29,45	8 25		23 40
April	1,76,86	41,55		41,55	85,51	11,83	97,34	29,46	8,51		23 47
May	1,79,39	41,55		41,55	83,94	12,37	96,31	29,84	11,69		23 17
June	1,80,87	41,55		41,55	84,22	12,95	97,17	30,18	11,97		23 00
July	1,83,80	41,55		41,55	85,69	13,70	99,39	30,65	12,21		22 60
August	1,84,89	41,55		41,55	85,91	13,24	99,15	31,51	12,68		22 47
September	1,85,06	41,55		41,55	85,26	13,29	98,15	31,96	13,00		22 46
October	1,85,64	41,55		41,55	84,40	13,41	97,81	32,84	13,44		22 38
November	1,85,56	41,55		41,55	83,19	13,54	96,73	33,21	14,07		22 40
December	1,83,91	41,55		41,55	80,85	14,23	95,08	33,04	14,24		22 59
1935											
January	1,83,58	41,55		41,55	80,04	13,82	93,86	33,82	14,35		22 63
Fe -uary	1,83,21	41,55		41,55	78,55	12,93	91,48	35,61	14,57		22 68
Mar h	1,86,10	41,55		41,55	77,25	13,13	90,38	35,90	18,27		22 32

Composition of Paper Currency Reserve—(*Contd*).

(*In Lakhs of Rupees*)

Last Week of Month	Gross Note Circulation	GOLD	SILVER	SECURITIES		Percentage of Gold and Sterling Securities to Note Circulation
		Coin and Bullion	Rupee Coin	Rupee Securities	Sterling Securities	
1935						
April	1,86,28	44,42	50,18	43,05	48,63	49 95
May	1,86,44	44,42	50,34	41,06	50,62	50 04
June	1,88,01	44,42	51,91	38,49	53,19	52 08
July	1,90,82	44,42	54,72	26,49	65,19	57 44
August	1,93,03	44,42	56,93	26,49	65,19	57 01
September	1,94,72	44,42	58,01	25,50	66,19	56 98
October	1,94,72	44,42	58,59	25,52	66,19	56 81
November	1,94,96	44,42	58,82	25,53	66,19	56 74
December	1,93,27	44,42	57,11	25,55	66,19	57 23
Months average						
1936						
January	1,93,91	44,42	57,76	25,54	66,19	57 04
February	1,94,91	44,42	58,75	24,42	67 32	57 33
March	1,95,58	44,42	59,41	24,43	67,32	57 13
April	1,95,36	44,42	59,19	23,93	67,82	57 45
May	1,95,36	44,42	59,49	23,44	68,32	57 61
June	1,97,98	44,42	61,78	23,46	68,32	56 95
July	2,00,63	44,42	65,09	23,40	67,72	55 89
August	2,01,88	44,42	66,74	23,40	67,32	55 35
September	2,02,73	44,42	67,59	23,40	67,32	55 11
October	2,02,95	44,42	67,79	23,42	67,32	55 06
November	2,02,36	44,42	67 21	23,41	67,32	55 22
December	2,00,62	44,42	65,47	23,41	67,32	55 69
1937						
January	2,04,21	44 42	63,70	24,18	71,91	56 96
February	2,07,76	44,42	62,16	24,37	76,81	58 35
March	6,08,30	44,42	61,90	23,62	78,06	58 88

Statistics of the Reserve Bank of India for the Months of 1935-38

ISSUE DEPARTMENT

In Lakhs of Rupees

Month	Notes held in Banking Dept	Notes in circulation	Total	Gold Coin & Bullion	Sterling Security	Rupee Coin	Rupee Security	% of Gold & sterling securities to total Notes issued
1935								
April	18,58	167,51	186 09	44,42	48,63	49,99	43,05	50 02
May	18,53	167,02	185,85	44,42	49,03	49,75	42,65	50 28
June	21,90	165,14	187,04	44,42	52,94	50,94	38,74	52 05
July	30,30	159 41	180,71	44,42	65,19	53,61	26,49	57 78
August	35,33	156,57	191,90	44,42	65,19	55,80	26,49	57 12
September	35,98	157,44	193,42	44,42	66,69	57,31	26,00	56 93
October	33,65	160,68	194,33	44,42	66,19	58,20	25,52	56 92
November	33,32	161,37	194,69	44,42	66,19	58,56	25,52	56 81
December	27,47	166,53	194,00	44,42	66,19	57,85	25,54	57 01
1936								
January	24,67	168,96	193,63	44,42	66,19	57,48	25,54	57 12
February	25,46	163,73	194,19	44,42	66,75	58 04	24,98	57 25
March	24,95	169,98	194,93	44,42	67,32	58,77	24,42	57 32
April	23,64	171,72	195,36	44,42	67,82	59,19	23,93	57 45
May	26,40	169,27	195,67	44,42	68,32	59,49	23,44	57 61
June	31,78	166,20	197,98	44,42	68,32	61,78	23,46	56 95
July	37,31	163,32	200,63	44,42	67,72	65,09	23,40	55 89
August	38,54	163,34	201,88	44,42	67,32	66,74	23,40	55 35
September	37,36	165,37	202,73	44,42	67,32	67,59	23,40	55 11
October	33,33	169,62	20,295	44,42	67,32	67,79	23,42	55 06
November	26,97	175,39	202,36	44,42	67,32	67,21	23,41	55 22
December	16,97	183,70	200,62	44,42	67,32	65,27	23,41	55 69
January	11,12	193,09	204,21	44,42	71,91	63,70	24,18	56 96
February	11,62	196,14	207,76	44,42	76,81	62,16	24,37	58 35
March	13,45	194,55	208,00	44,42	78,06	61,90	23,62	58 88
1937								
April	12,89	194,98	207,87	44,42	79,91	58,17	25,37	59 81
	(1)	(98)	(99)					
May	13,53	193,40	206,93	44,42	80,31	54,83	27,37	60 28
	(1)	(192)	(193)					
June	17,49	189,94	207,43	44,42	80,31	55,34	27,37	60 13
	(1)	(238)	(239)					
July	26,60	183,51	210,11	44,42	80,31	58,01	27 37	59 36
	(2)	(286)	(288)					
August	32,67	179,74	212,41	44,42	80,31	60,32	27,38	58 72
	(1)	(331)	(332)					
September	32,38	181,04	213,42	44,42	80,31	61,31	27,39	58 44
	(1)	(377)	(378)					
October	30,64	183,43	214,07	44,42	80,31	61,96	27,39	58 27
	(1)	(402)	(403)					
November	31,20	183,09	214,29	44,42	80,31	62,19	27,38	58 21
	(1)	(417)	(418)					
December	31,12	183,50	214,62	44,42	80,31	62,52	27,38	58 11
	(1)	(455)	(456)					
1938								
January	28,17	184,99	213,16	44,42	78,81	62,54	27,40	57 81
	(2)	(538)	(540)					
February	26,31	187,09	213,40	44,42	78,81	62,77	27,40	57 75
	(1)	(689)	(690)					
March	24,64	188,91	213,55	44,42	78,81	62,93	27,39	57 71
	(–)	(810)	(810)					
Average for 1937-38	25,64	186,14	211,78	44,42	79,90	60,24	27,22	58 7
	(1)	(403)	(404)					

(Burma notes are shown in brackets)

Statistics of the Reserve Bank of India for the Months of 1935-38 (Contd.)

ISSUE DEPARTMENT

In Lakhs of Rupees

Month	Notes held in Banking Dept	Notes in circulation	Total	Gold Coin & Bullion	Sterling Security	Rupee Coin	Rupee Security	% of Gold & sterling securitief to total Notes issued
1938								
April	28,32 (—)	186,08 (7,66)	214,40 (7,66)	44,42	78,81	60,78	30,39	57 48
May	30,87 (—)	183,82 (7,87)	214,69 (7,87)	44,42	78,81	59,09	32,37	57 40
June	34,92 (—)	179,24 (7,52)	214,16 (7,52)	44,42	76,14	61,25	32,35	56 29
July	38,23 (—)	174,88 (7,19)	213,11 (7,19)	44,42	71,09	65,24	32,36	54 20
August	40,73 (–)	173,43 (7,02)	214,16 (7,02)	44,42	69,49	67,88	32,37	53 19
September	40,43 (1)	174,51 (6,78)	214,94 (6,79)	44,42	68,69	69,46	32,37	52 62
October	31,34 (—)	178,05 (6,72)	209,48 (6,72)	44,42	62,16	70,53	32,37	50 88
November	30,65 (—)	179,40 (6,69)	210,05 (6,69)	44,42	62,16	71,11	32,36	50 74
December	23,47 (—)	183,93 (7,25)	207,40 (7,25)	44,42	60,03	70,60	32,35	50 36
1939								
January	13,42 (1)	189,78 (8,76)	203,20 (8,77)	44,42	56,84	69,63	32,31	49 33
February	12,07 (1)	192,91 (10,85)	204,98 (10,86)	44,42	58,83	69 43	32,30	50 37
March	14,07 (1)	192,32 (11,29)	206,39 (11,30)	44,42	59,50	70,17	32,30	50 35

Statistics of Reserve Bank of India for the Years 1935-38
BANKING DEPARTMENT

	Deposits									
	Govt	Banks	Other A/c	Total	Other Liabilities	Notes and Coin	Balances held abroad	Loans and advances to Govt	Investments	Other assets
April 1935	17,87	7,95		25,82	17	18,65	12,10		5,05	19
May	17,13	13,16		30,29	48	18,92	16,23		5,25	37
June	20,23	15,45		35,68	59	21,97	17,74		6,03	64
July	9,31	25,42		34,73	55	30,39	30,9		6,16	77
August	11,96	30,98		42,94	1,05	35,47	11 92		5,80	44
September	10,96	36,78		47,74	93	36,11	15,69		5,43	1,07
October	9,93	30,24		40,17	1,18	33,78	11,60		5,81	54
November	8,51	31,25		39,76	1,51	33,45	11,35	60	5,23	56
December	9,78	28,75	6	38,59	1,94	27,58	16,59	50	5,29	63
January	6,21	34,49	30	41,20	1,08	24,75	17,55	4,40	5,16	29
February	6,68	35,63	36	42,60	72	25,55	20,00	2,25	5,07	86
March 1936	6,98	36,59	32	43,89	60	25,05	21,70	2,25	5,02	42
April 1936	6,98	35,73	28	42,99	74	23,73	20,93	3,50	5,15	55
May	9,21	31,54	39	41,14	81	26,50	15,95	3 80	6,05	55
June	15,45	27,44	43	43,32	80	31,88	15,39		5,90	80
July	9,13	32,49	46	42,08	97	37,40	7,17	1,80	5,78	78
August	6,62	33,25	43	40,30	1,14	38,67	3,30	3,00	5,57	69
September	9,23	29,12	40	38,75	1,29	37,50	5,21	1,00	5,56	76
October	9,57	25,92	33	35,82	1,56	33,44	6,90	40	5,53	1,08
November	8,11	25,03	43	33,57	1,69	27,09	10,34	1,25	6,28	1,05
December	7,26	21,31	42	28,99	2,00	16,99	13,59	3,00	6,73	1,13
January	9,45	16,18	31	25,94	1,23	11,18	17,43	60	7,58	1,23
February	13,15	17,71	43	31,29	77	11,69	22,31		7,60	48
March 1937	14,33	22,97	53	37,83	64	13,52	26,65		6,28	71
April 1937	11,15	25,47	55	37,17	38	12,97	25,91	60	7,41	41
May 1937	10,31	26,25	59	37,15	37	13,62	25,58	50	7,20	50
June	10,75	26,51	55	37,81	47	17,56	23,01		8,28	58
July	9,98	33,00	53	43,51	61	79,26	17,52	1,00	8,10	71
August	9,75	36,47	51	46,73	83	32,76	15,22	75	7,82	79
September	13,37	29,47	68	43,52	89	32,47	13,21		6,78	88
October	12,59	24,90	52	38,01	1 16	30,73	10,76		6,68	95
November	9,46	25,47	76	35,69	1,25	31,30	7,26	75	6,28	1,03
December	9,05	24,36	1,15	34,56	1,23	31,20	4,11	3,20	6,03	1,10
Jan 1938	10,99	17,26	1,43	29,68	67	28,25	3,38	2,25	6,30	54
Feb 1938	14,36	13,85	54	28,75	68	26,40	6,25		6,72	54
March	15,35	14,57	54	30,46	66	24,74	8,47		7,11	60
Average for 1937-38	11,43	24,30	69	36,92	77	25,72	13,39	75	7,75	72

* Capital and Reserves, Rupees Ten Crores

Statistics of Reserve Bank of India for the Years 1935-38 (*Contd*)

BANKING DEPARTMENT

	Deposits									
	Govt	Banks	Other A/c	Total	Other Liabilities	Notes and Coin	Balances held abroad	Loans and advances to Govt	Investments	Other assests
April 1938	16,77	14,08	57	31,42	83	28,41	5,59	43	7,03	79
May	17,01	13,86	67	31,54	78	30,96	3,11	35	6,92	98
June	18,67	15,46	57	34,70	92	35,01	2,71	9	6,68	1,13
July	15,29	21,26	57	37,12	1,15	38,31	2,42	2	6,52	1,00
August	15,34	23,93	60	39,87	1,57	40,83	2,91	22	6,47	1,0
September	17,81	20,40	65	38,86	1,66	40,52	2,14	43	6,18	1,25
October	12,66	21,29	1,07	35,02	1,84	31,54	2,51	5,80	5,68	1,33
November	12,36	15,46	1,16	28,98	1,99	30,77	1,35	1,59	5,84	1 42
December	10,60	12,14	86	23,60	2,09	23,57	97	94	5,67	4,54
January 1939	13,60	11,59	80	25,99	86	13,51	3,65	5,40	5,82	8,47
February	13,15	12,38	80	26,33	73	12,16	7,73	4,15	6,75	6,27
March	15,25	12,59	78	28,62	82	14,15	14,40	2,37	6,68	1,84

Capital and Reserves, Rupees Ten Crores

Statistics of Scheduled Banks from 1935-36 to 1938-39

(In Lakhs of Rupees)

Month (Average of weekly figures)	Demand liabilities in India		Time liabilities in India		Cash in India		Balances with Reserve Bank	Advances in India		Bills discounted in India	
April 1935											
May											
June											
July	109,17		98,83		5,06		25,31	99,45		3,29	
August	110,65		98,40		6,30		30,77	91,87		2,87	
September	115,58		97,78		6,43		36,29	86,76		2,28	
October	121,21		96,40		5,88		29,72	84,78		2,28	
November	126,23		97,04		6,12		30,80	81,17		2,88	
December	124,27		98,29		6,34		28,51	81,85		3,45	
January 1936	122,98		99,35		6,05		34,23	84,68		3,45	
February	120,60		100,87		5,56		35,28	87,98		2,61	
March	120,46		101,30		5,64		35,84	92,09		2,51	
April	120,93		101,00		5,65		35,36	95,05		2,65	
May	122,53		101 66		5,82		30,93	93,30		3,57	
June	122,91		101,19		6,07		27,10	91,92		4,83	
July	126,62		100,11		5,92		32,36	89,09		3,98	
August	128,88		100,79		5,79		32,90	87,35		5,20	
September	129,04		101,22		5,69		28,81	86,47		5,94	
October	131,39		99,47		5,91		25 62	86,72		6,02	
November	132,30		99,88		6,04		24,65	89,22		5,74	
December	131,60		101,13		6,71		20,75	93,46		4,76	
January 1937	132,80		102,63		6,12		16,83	104,10		5,69	
February	131,30		103,41		6,24		17,22	110,59		7,10	
March	133,16		104,67		6,28		22,51	115,92		7,79	
April	133,54	(5,74)	105,65	(5,12)	5,99	(26)	25,20	122 56	(7,08)	8,15	(42)
May	134,52	(5,98)	107,38	(5,15)	6,20	(28)	26,04	122,70	(6,50)	7,55	(29)
June	133,19	(5,88)	108,56	(5,35)	6,43	(26)	26,42	119,08	(5 73)	6,82	(24)
July	133,16	(5,90)	109,14	(5,30)	6,49	(24)	32,72	113,19	(5 08)	5,82	(22)
August	133,75	(5,85)	110,27	(5,23)	6,52	(22)	35,82	108,72	(5,29)	5,13	(20)
September	132,95	(5,81)	110,18	(5,20)	6,46	(24)	29,26	106,89	(4,90)	4,90	15)
October	134,28	(6,01)	109,46	(4,99)	7,15	(27)	24,45	106,97	(4,59)	4,66	(18)
November	135,67	(6,21)	108,98	(4,87)	7,71	(26)	24,89	105,56	(4,45)	5,55	(28)
December	132,18	(6,15)	109,63	(4,88)	7,34	(23)	23,90	105,21	(4,30)	6,03	(27)
January 1938	131,15	(5,86)	109,87	(4,89)	6,54	(23)	17,05	111,22	(4,52)	6,53	(33)
February	128,38	(5,82)	110,09	(4,81)	6,31	(21)	13,46	116,72	(5,11)	6,83	(38)
March	127,78	(5,69)	110,02	(4,84)	6,20	(22)	14,30	122,15	(5,61)	7,17	(38)
Average for 1937-38	113,21	(5,91)	109,10	(5,05)	6,61	(24)	24,46	113,41	(5,26)	6,26	(28)

Burma figures are shown in Brackets

Statistics of Scheduled Banks from 1935-36 to 1938-39

(In Lakhs of Rupees)

Month (Average of weekly figures)		Demand liabilities in India	Time liabilities in India	Cash in India	Balances with Reserve Bank	Advances In India	Bills discounted in India
April	1938	128,31	109,33	6,32	13,73	124,77	7,11
		(5,59)	(4,79)	(23)		(5,45)	(35)
May		127,65	110,39	6,23	13,79	124,72	6,66
		(5,64)	(4,73)	(25)		(4,47)	(29)
June		126,82	109,47	6,62	15,41	120,95	5,83
		(5,86)	(4,62)	(27)		(4,67)	(27)
July		128,37	107,60	6,83	21,10	115,75	4,23
		(5,89)	(4,63)	(27)		(4,49)	(26)
August		129,59	107,00	6,87	23,73	111,23	2,88
		(6,19)	(4,57)	(24)		(4,76)	(21)
September		131,62	106,65	6,88	20,14	108,85	2,44
		(6,36)	(4,55)	(28)		(4,84)	(16)
October		134,09	106,03	7,32	20,94	106,20	2,71
		(6,69)	(4,51)	(36)		(4,06)	(16)
November		134,28	106,21	7,61	15,25	103,16	3,44
		(6,77)	(4,51)	(34)		(3,59)	(22)
December		131,70	107,24	6,75	11,77	108,90	4,06
		(6,64)	(4,54)	(24)		(3,71)	(27)
January	1939	130,15	108,08	6,13	11,31	118,37	5,07
		(6,22)	(4,42)	(21)		(4,04)	(30)
February		128,13	108,16	6,17	11,92	112,73	6,25
		(6,17)	(4,32)	(19)		(4,60)	(34)
March		128,61	108,15	6,07	12,30	124,66	7,44
		(6,15)	(4,37)	(21)		(5,09)	(31)

Remittances through the Reserve Bank of India

Telegraphic transfers issued and Paid

(In lakhs of Rupees)

	1936 Jan to June Issued	1936 Jan to June Paid	1936 July to Dec Issued	1936 July to Dec Paid	1937 Jan to June Issued	1937 Jan to June Paid	1937 July to Dec Issued	1937 July to Dec Paid	1938 Jan to June Issued	1938 Jan to June Paid	1938 July to Dec Issued	1938 July to Dec Paid
Bombay	37,83	51,14	39,95	28,51	38,78	45,19	37,15	31,25	35,97	49,45	41,60	40,13
Calcutta	61,90	40,33	36,90	43,79	65,07	47,77	28,57	44,30	65,16	45,98	50,78	53,29
Cawnpore	2,26	2,43	2,80	2,07	3,05	5,08	3,81	48	4,25	4,37	6,36	3,65
Delhi	4,82	2,04	5,83	2,72	6,59	2,89	5,98	3,22	6,63	2,50	4,85	2,64
Karachi	7,86	6,51	6,19	6,03	11,37	8,82	4,31	5,42	8,37	7,05	5,08	5,80
Lahore	2,82	4,86	3,28	2,71	6,03	7,84	7,52	3,75	9,01	8,44	7,30	6,35
Madras	6,65	8,02	8,10	9,48	12,47	9,65	9,66	6,90	7,32	12,94	8,13	10,66
Rangoon	3,66	12,40	4,91	7,60	5,50	11,20	4,23	6,45	5,35	11,47	5 77	7,52
Total	1,27,80	1,27,73	1,07,96	1,02,91	1,48,86	1,38,44	1,01,23	1,01,77	1,42,06	1,42,20	1,29,87	130,04

B Remittances through the Imperial Bank of India

Demand Drafts Purchased

	1934 Jan to June	1934 July to Dec	1935 Jan to June	1935 July to Dec	1936 Jan to June	1936 July to Dec	1937 Jan to June	1937 July to Dec	1938 Jan to June	1938 July to Dec
Bengal circle	21,67	19,71	23,74	18,39	24,37	23,17	29,24	23,80	29,59	27,92
Bombay	15,50	10,61	16,46	12,14	17,02	15,44	19,31	12,24	18,37	14,70
Madras	8,84	6,49	8,62	6,77	8,22	9,51	10,84	7,72	9,55	9,53
Total	46,01	36,81	48,82	37,30	49,61	48,12	59,39	43,76	57,51	52,15

Drafts & Telegraphic Transfers Paid

	1934 Jan to June	1934 July to Dec	1935 Jan to June	1935 July to Dec	1936 Jan to June	1936 July to Dec	1937 Jan to June	1937 July to Dec	1938 Jan to June	1938 July to Dec
Bengal circle	33,23	28,54	35,60	27,31	30,81	28,01	35,67	33,27	36,94	32,72
Bombay	26,87	25,49	28,61	23,95	26,11	23,51	31,03	29,89	33,72	32,61
Madras	15,70	17,79	16,55	11,57	14,18	13,96	18,12	16,87	18,76	18,51
Total	75,80	71,82	80,76	62,83	71,10	65,48	84,82	80 03	89,42	83,84

Rates of Discount of Central Banks of certain countries 1936-37 to 1938-39.

(Rates Per cent)

1936-37

End of	United Kingdom	United States: F R B rate for 60—90 days Paper	United States: F R B average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1.5	1.91	4	5	3	3.65	2.5	5
May	2	1.5	1.91	4	6	3	3.65	2.5	4.5
June	2	1	1.91	4	4	3	3.65	2.5	4.5
July	2	1.5	1.91	4	3	3	3.65	2.5	4.5
August	2	1.5	1.91	4	3	3	3.65	2.5	4.5
September	2	1.5	1.91	4	5	3	3.65	2	4.5
October	2	1.5	1.91	4	2	3	3.65	2	4.5
November	2	1.5	1.91	4	2	3	3.65	1.5	4.5
December	2	1.5	1.91	4	2	3	3.65	1.5	4.5
January	2	1.5	1.91	4	4	3	3.65	1.5	4.5
February	2	1.5	1.91	4	4	3	3.65	1.5	4.5
March	2	1.5	1.91	4	4	3	3.95	1.5	4.5

1937-38

End of	United Kingdom	United States: F R B rate for 60—90 days Paper	United States: F R B average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1.5	1.91	4	4	3	3.29	1.5	4.5
May	2	1.5	1.91	4	4	3	3.29	1.5	4.5
June	2	1.5	1.91	4	6	3	3.29	1.5	4.5
July	2	1.5	1.91	4	5	3	3.29	1.5	4.5
August	2	1	1.86	4	4	3	3.29	1.5	4.5
September	2	1	1.47	4	3.5	3	3.29	1.5	4.5
October	2	1	1.46	4	3.5	3	3.29	1.5	4.5
November	2	1	1.46	4	3	3	3.2	1.5	4.5
December	2	1	1.46	4	3	3	3.29	1.5	4.5
January	2	1	1.46	4	3	3	3.29	1.5	4.5
February	2	1	1.46	4	3	3	3.29	1.5	4'5
March	2	1	1.46	4	3	3	3.46	1.5	4.5

1938-39

End of	United Kingdom	United States: F R B rate for 60—90 days Paper	United States: F R B average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1	1.46	4	3	3	3.29	1.5	4.5
May	2	1	1.46	4	3	3	3.29	1.5	4.5
June	2	1	1.46	4	3	3	3.29	1.5	4.5
July	2	1	1.46	4	3	3	3.29	1.5	4.5
August	2	1	1.46	4	2.5	3	3.29	1.5	4.5
September	2	1	1.46	4	2.5	3	3.29	1.5	4.5
October	2	1	1.46	4	2.5	3	3.29	1.5	4.5
November	2	1	1.46	4	2.5	3	3.29	1.5	4.5
December	2	1	1.46	4	3	3	3.29	1.5	4.5
January	2	1	1.46	4	3	3	3.29	1.5	4.5
February	2	1	1.46	4	2.5	3	3.29	1.5	4.5
March	2	1	1.46	4	2.5	3	3.29	1.5	4.5

Gold and Foreign Assets Reserves of Certain Countries 1938-39.

In millions of units

End of	United States			United Kingdom	Germany		France			Canada			Switzerland		British India		
	F R Banks and Government			Bank of England	Reichs Bank		Bank of France			Govt Gold	Chartered Banks				Gold		
	Gold against certificates	Other Gold Reserves	Total Gold Stock	Gold	Gold	Foreign Assets	Gold	Sight bills	Short term	Foreign Assets	Gold	Foreign Assets	Gold	Foreign Assets	At Home	Abroad	Foreign Assets
	Dollars			(£)	Reichs mark		Francs			Dollars			Francs		Rupees		
April 1938	80	12,789	12,869	326 4	71	5	55,807	20	810	5	107	17	2,837	407	415	29	835
May ,,	79	12,840	12,919	326 4	71	5	55,808	20	793	4	107	32	2,806	397	415	29	808
June ,,	79	12,884	12,963	326 4	71	6	55,808	27	777	3	107	32	2,786	385	415	29	782
July ,,	78	12,939	13,017	326 4	71	5	55,808	22	761	5	107	23	2,837	374	415	29	729
August ,	77	13,059	13,136	326 4	71	5	55,808	24	743	5	107	28	2,851	306	415	29	719
September ,,	77	13,682	13,759	326 4	71	6	55,808	13	751	3	107	31	2,873	302	415	29	701
October ,,	76	13 988	14,064	326 4	71	6	55,808	12	751	4	107	36	2,890	286	415	29	651
November ,,	76	14,236	14,312	326 4	71	6	87,264	12	876	3	107	45	2,890	280	415	29	625
December ,,	75	14,437	14,512	326 4	71	6	87,265	18	803	4	109	28	2,890	255	415	29	608
January 1939	75	14,607	14,682	326 4	71	6	87,266	15	746	3	113	25	2,813	259	415	29	627
February ,,	74	14,800	14,874	226 4	71	6	87,266	13	746	3	118	30	2,645	261	415	29	694
March ,,	74	15,185	15,258	226 2	71	6	87,266	13	745	4	120	33					739

Money Market Rates in Certain Principal Countries

Period	U K			France			Germany		Japan		Switzerland	United States				
	Bank Bills 3 Months	Treasury Bills 3 Months	Day to Day money	Commercial Paper 45-90 days	Treasury Bills 1-3 months	Day to Day money	Private discount 56-90 days	Day to Day money	Commercial Paper 60 days	Day to day call money	Private discount 3 months	Commercial Paper 4-6 months	Bankers acceptances 9 days	Treasury Bills	Collection rate	Bank Loan rate
Average																
1929	5 26	5 26	4 47	3 46		3 04	6 17		4 85	3 60	3 31	5 54	5 03	3 25	7 61	6 14
1930	2 57	2 48	2 27	2 32	2 32	2 09	4 43		4 85	3 47	2 01	3 58	2 46	2 49	2 94	5 72
1931	3 61	3 59	2 94	1,57	1 41	1 29	6 14		4 85	4 49	1 44	2 67	1 58	1 49	1 74	5 39
1932	1 87	1 49	1 61	1,28	1 00	0 74	4 95		5 24	2 62	1 52	2 84	1 28	0 90	2 05	5 62
1933	0 69	0 59	0'69	1 83	1 76	1 38	3 88		4 49	2 56	1 50	1 72	0 60	0 52	1 14	5 56
1934	0 82	0 73	0 82	2 12	2 11	1 64	3 77	4 18	4 38	2 61	1 50	1 02	0 25	0 30	1 00	5 17
1935	0 59	0 55	0 50	3 30	3 23	2 65	3 15	3 43	4 38	2 85	2 20	0 76	0 13	0 15	0 56	4 69
1936	0 60	0 58	0 50	3 73	3 68	3 10	2 96	2 94	4 19	2 80	2 06	0 75	0 15	0 15	0 91	4 35
1937	0 58	0 56	0 53	3 96	3 64	3 15	2 91	2 78	4 02	3 00	1 06	0 95	0 43	0 45	1	4 17
April, 1938	0 53	0 51	0 50	3 38		2 55	2 88	2 96	4 02	2 58	1 0	0 88	0 44	0 88	1	4 13
May	0 53	0 52	0 50	3 38	2 38	1 31	2 88	2 o7	4 02	2 53	1 0	0 88	0 44	0 03	1	4 13
June	0 59	0 59	0 50	2 50	2 31	1 69	2 88	3 06	4 02		1 0	0 88	0 44	0 02	1	4 14
July	0 53	0 52	0 50	2 50	2 40	2 15	2 88	2 95	4 02	2 47	1 0	0 75	0 44	0 05	1	4 12
August	0 53	0 51	0 50	2 88	2 47	2 06	2 88	2 51	4 02	2 53	1 0	0 75	0 44	0 05	1	4 12
September	0 91	0 86	0 50	2 87	2 60	2 31	2 88	2 59	4 02	2 50	1 0	0 69	0 44	0 10	1	4 07
October	0 69	0 69	0 50	3 29	3 00	2 81	2 88	2 70	4 02	2 44	1 0	0 69	0 44	0 02	1	4 06
November	0 66	0 67	0 50	3 21	2 87	2 79	2 88	2 59	4 02	2 48	1 0	0 69	0 44	0 02	1	4 05
December	0 94	0 93	0 58	2 36	1 93	1 49	2 88	2 89	4 02	2 52	1 0	0 63	0 44	0 01	1	4 04
January, 1939	0 56	0 53	0 50	1 99	1 70	1 39	2 88	2 46	4 02		1 0	0 56	0 44	0 002	1	4 10
February	0 51	0 51	0 50	1 94	1 72	1 46	2 88	2 53	4 02		1 0	0 56	0 44	0 004	1	4 09
March	0 63	0 71	0 50	1 96	1 74	1 28	2 88	2 70	4 02		1 0	0 56	0 44	0 005	1	

Average Daily Price of Government Securities and the Yield thereon*

MONTH	3 per cent Bonds—1941 Price		3 per cent Bonds—1941 Yield	4 per cent Loan—1960—70 Price		4 per cent Loan—1960—70 Yield	3½ per cent Paper Price		3½ per cent Paper Yield
	Rs	A	%	Rs	A	%	Rs	A	%
1937									
April	102	11	2 34	110	11	3 33	93	6	3 75
May	102	13	2 30	110	9	3 34	94	14	3 69
June	102	15	2 25	110	6	3 35	95	5	3 67
July	103	4	2 17	110	15	3 34	95	13	3 65
August	104	0	1 96	112	7	3 25	97	9	3 59
September	103	14	1 98	112	15	3 22	97	3	3 69
October	103	10	2 02	113	10	3 20	98	3	3 56
November	103	12	1 96	113	14	3 16	98	11	3 55
December	103	9	1 99	113	13	3 17	98	6	3 53
1938									
January	103	8	1 99	114	0	3 15	98	6	3 56
February	103	8	1 97	114	4	3 13	98	7	3 56
March	103	3	2 04	113	15	3 15	98	0	3 57
April	102	15	2 09	114	9	3 11	98	8	3 55
May	102	12	2 13	114	0	3 14	98	13	3 54
June	102	13	2 08	113	4	3 18	98	9	3 55
July	103	3	1 87	112	14	3 20	99	1	3 53
August	103	5	1 87	112	14	3 20	99	4	3 53
September	102	11	2 07	111	2	3 50	96	13	3 62
October	103	1	1 91	112	1	3 25	98	4	3 56
November	102	14	1·91	111	6	3 27	98	6	3 56
December	102	13	1 94	111	4	3 27	98	6	3 56
1939									
January	102	6	2 06	111	2	3 27	97	14	3 58
February	101	14	2 23	110	8	3 31	96	8	3 63
March	101	9	2·22	110	7	3 32	95	14	3 65

*Yield to redemption—and in the case of 4 per cent 1960—70 Loan the earlier date, i e, 1960 is taken

Imperial Bank of India Official rates of interest

1923	per cent	Average for whole year
11th January	8	
25th May	7	
31st May	6	
7th June	5	
28th June	4	5 947
15th November	5	
29th November	6	
20th December	7	
1924		
3rd January	8	
14th February	9	
10th April	8	
29th May	7	
19th June	6	6 682
3rd July	5	
31st July	4	
21st August	5	
16th October	6	
1925		
22nd January	7	
21st May	6	
18th June	5	
2nd July	4	5 642
24th September	5	
3rd December	6	
1926		
20th May	5	4 825
10th June	4	
1927		
1st January	5	
13th January	6	
10th February	7	
2nd June	6	
23rd June	5	5 720
8th July	4	
8th September	5	
8th December	6	
2nd December ..	7	

1928	per cent	Average for whole year
21st June	6	
19th July	5	6 196
15th November	6	
13th December	7	
1929		
14th February	8	
11th April		
9th May	6	6 328
6th June	5	
10th October	6	
31st October	7	
1930		
3rd April	6	
10th July	5	5 887
20th November	6	
1931		
22nd January	7	
28th May	6	7 046
6th August	7	
24th September	8	
1932		
14th January	7	
25th February	6	5 021
28th April	5	
7th July	4	
1933		
From 16th February	3½	3 563
31st December	3½	
1934		3 5
1935		
Reserve Bank of India		
5th April	3 5	3 3
28th November	3 0	
From 28th November 1935		3 5

TRADE SECTION

FOREIGN TRADE IN 1938-39

1938-39 is so unmistakably a period of slump in world trade that one must be prepared for more than one disheartening feature of India' foreign trade during that year It has the unenviable distinction of having three months in which India suffered an adverse Balance of Trade Even more notable is the fact that the first quarter of 1938-39 registered an adverse balance of Rs 29 lakhs as compared with a favourable balance of Rs 1 46 crores in the corresponding period of the current financial year and of Rs 8 13 crores in the first quarter of 1937-38 These sharp changes emphasise the fact that not only is the trade cycle tending to get shortened, but the division, boom and slump, is somewhat blurred at the present time, when rearmament expenditure and the demand which it sets up offsets to a large extent the effects of a cyclical slump The task of interpreting the figures of foreign trade has been rendered considerably more difficult

But the task was perhaps never so important as it is now In the first place, 1938-39 is the second complete year after the separation of Burma and it is now possible for the first time to institute comparisons without the fear that the adjustments necessary to make the figures comparable might be wide of the mark Though it is true that two years form too short a perspective for observing changes in foreign trade, the assurance with which comparisons could be made might perhaps be deemed a fair compensation for the lack of a longer range Secondly, with the Indi-British trade agreement now in force through the certification of the Viceroy and with the trade agreement with Japan coming for revision or renewal shortly, it is extremely necessary that the comparatively natural trends of our foreign trade in the last two years should be more clearly understood Thirdly, as has been mentioned already, with world trade more susceptible than a decade ago to sharp fluctuations through what appears to be a shortening of the business cycle and with India looking forward to an era of planned progress in the internal economic life, it is more than necessary to understand the vicissitudes of our chief export staples

There is reason on the whole to think that the figures for foreign trade for 1938-39 are apt to prove a safer guide for the immediate future than the figures of any other year in recent times For while 1936-37, for instance, was vitiated by the extravagant optimism which brought the boom to a premature end, 1938-39 has had the advantage that, while receiving a fair benefit from the rearmament programme, the normal course of business was not disturbed by over-wrought war scares In this view, it would appear that the downward trend of world trade, which one would naturally expect from the increasingly autarkic tendencies of the principal nations, has persisted during the last financial year And it would follow from this that every country, which does not desire its economic life to be upset by awkward surprises in the international sphere, would be well-advised to be prepared for the absence of any considerable improvement in its export trade With the international political outlook still obscure and, if anything, only overcast by fearful clouds, it would be rash to make any kind of forecast about the future trend of world trade When the Anglo-American Pact was concluded, there was a mild, but pronounced, optimism all the world over that the cause of freer trade, which thus had a fillip from the two English-speaking nations, would gain in strength and that there would be a general relaxation of trade restrictions The increasing tension in the sphere of international politics has not only prevented it but may even be said to have set in motion an adverse tendency If one remembers the fact that Germany's preparations for war included not only an acceleration of her autarkic tendencies but also the tightening of her economic control over her neighbours, one would recognise

the fact that without a fair idea of the repercussions of these changes, it is difficult to see the trend in the immediate future

For the present, all that one can be sure of is that the downward trend has persisted during the year 1938-39 and that, if India suffered a decline in her export trade, she shares that lot with a number of other countries It may be stated here as a necessary prelude to our survey of India's foreign trade that world imports declined during the year 1938 and that the monthly average came down from 1,290 05 million gold dollars in 1937 to 1,120 million gold dollars in 1938 The index figure (base 1929 = 100) came down from 45,7 to 39 7 The monthly average of world exports during the same period declined from 1229 33 million gold dollars to 1063 million gold dollars, the index figure for the monthly average dropping from 47 0 to 40 7

That India has shared in this world tendency will be evident from the following table showing exports and imports during the last three years, the figures for the two later years being actuals and the figures for 1936-37 being adjusted so as exclude Burma

FOREIGN TRADE OF INDIA
(Exclusive of Burma)

(In crores of Rupees)

Twelve months April to March

	1936-37	1937-38	1938-39
Total Exports (including Re exports)	192 11	189 20	169 19
Total Imports	142 29	173 32	161 80
Balance of Trade in Merchandise	+49 82	+15 88	+17 39

[Excludes value of Railway materials imported direct by State Railways working under company management which is not taken into account in arriving at the visible balance of trade]

It will be seen from the above table that, as is by no means unusual in the case of India, the movement of imports is not parallel to the movement of exports While total exports have declined from about Rs 190 crores in 1936-37 to Rs 169 19 crores during 1938-39, imports unmistakably increased from about Rs 140 crores in 1936-37 to Rs 173 32 crores in 1937-38, though they have since declined to Rs 151 80 crores We have pointed out on a former occasion that imports and exports, at least in the case of vast agricultural countries like India, are bound to move very often in contrary directions inasmuch as the agricultural masses derive their purchasing power, whether for indigenous or imported goods, only from an increase in export trade and that it follows from this that increase in exports and increase in imports must have both a chronological and logical sequence But in view of the low levels of our favourable balance of trade, it is worthwhile examining the means by which untimely increase of imports during a period of low exports can be avoided Any definite course would naturally be feasible only during a regime of planned economy , and it is premature to discuss the ways and means of achieving this But it may be observed here that if indigenous industry were more aware of the opportunity for targer sales which must come in the wake of a period of rising exports, their advantages will not be reaped wholly by the import trade

Such vigilance on the part of indigenous industry will also help to maintain the favourable balance of trade at a higher level than would otherwise be possible It will be seen from the table above that the increase in imports in 1937-38 as compared with the previous year has brought about a fall in the balance of trade in merchandise disproportionate to the fall in exports during the same period The improvement in the balance of trade from Rs 15 88 crores in 1937-38 to Rs 17 39 crores in 1938-39 is a somewhat fortuitous gain inasmuch as the fall in imports may be attributed to the preoccupations of Japan with the Chinese war and the fall in the imports from the United Kingdom It will be realised therefore that even after the completion of a full trade cycle after the Great Depression, India's balance of trade is highly precarious and, if one omits the balance of trade in 1936-37 amounting to Rs 77 14 crores as somewhat freaky, the normal figure has to be put at below Rs 20 crores

With our annual foreign obligations estimated at about Rs 75 crores, our dependence on the export of treasure has thus definitely increased And here the fact that the balance of transactions in treasure has been steady at about Rs 14 crores during the last two years may serve to create a false sense of security inasmuch as even during the last three years, exports of gold have fallen from 27 85 crores in 1936-37 to Rs 16 34 crores and Rs 13 05 crores in the two years following That gold exports have continued much longer than its opponents feared, is by no means a fair ground for hope that they will continue indefinitely Even assuming that there will always be this trickle of gold from India to foreign countries, there can be no doubt that they will not be sufficient

to make up the difference between our foreign obligations and our balance of trade

It is necessary therefore that the authorities should examine the question of adjustments in matters of trade policy necessitated by the position of our foreign trade There is, first, the need to readjust the exchange to our foreign trade position The Government of India has been prone to regard the exchange problem only from the point of view of resisting the clamour of an interested commercial opinion But an examination of the foreign trade position will show that the rupee exchange will find an increasingly unreliable support in our balance of trade in merchandise

Considering our foreign trade purely from the economic, as distinct from the financial, standpoint, it will be seen that the principal problems to be tackled are firstly the position of the import trade, the position of our chief export staples and, last but not least, commercial relations with foreign countries The position of the imports has been examined already As regards export staples, 1938-39 has emphasised the weakness of their position in foreign markets The commodities which have shown a heavy decline are wheat (2 14 crores) raw hides and skins (1 13 crores), metallic ors (1 14 crores), raw cotton (5 17 crores), jute (1 37 crores), tanned hides and skins (2 77 crores) The commodities showing a considerable rise are rice (56 crores), groundnut (99 crores), linseed (83 crores) Of the commodities mentioned above, the prospects of groundnut, linseed, raw cotton and, to a lesser extent, of hides and skins and jute goods depends on the nature of our commercial relations with foreign countries The moot problem of our foreign trade is whether India should trade freely with the rest of the world without any special preference for one country or another or whether she would be wiser to make as many special arrangements with her foreign customers as may be possible But with the increasing tendency of the principal nations to resort to trade agreements and the *fait accompli* with which the Government chooses to face the people, this question may be deemed to be of more or less academic importance India being wedded to a policy of trade treaties, it would seem that she has no choice but to persist farther in this path It is significant in this context that, while Japan has relaxed her trade relations with India in the sense that she has a lesser share than before of our exports and imports, the commercial bonds between India and the rest of the Empire are strengthened perceptibly even during this two-year period The share of the U K in our foreign trade has increased from 29 9 per cent to 30 7 per cent and in the case of our exports, the increase is from 33 3 per cent to 33 7 per cent The British Empire as a whole has increased its share of its imports from 54 8 per cent to 58 1 per cent and our exports to the Empire have likewise gone up from 51 2 per cent to 52 per cent The increasing dependence of India on the Empire may probably have the effect of depriving us of freedom of action in the future But there is no doubt that the commercial policy of most of India's important customers of the past and India's financial relations with Britain have been such as to draw us closer to the Empire Much of the popular feeling against the trade pact with Britain can be removed by Britain showing greater liberality in her dealings with us, so that not only will India be able to increase her exports but we shall have freedom to bargain with other countries

In foregoing the more salient features of our foreign trade during the year have been touched on from the point of view of foreign trade policy We may now turn to the detailed examination of exports and imports which is the primary purpose of this review The increase in the favourable balance of trade in merchandise from Rs 14 88 crores in 1937-37 to Rs 17 39 crores in 1938-39 shows that during the year under review imports fell to a greater extent than the total exports But in appraising the fall, it must be remembered that 1937-38 witnessed a sensational increase to Rs 173 32 crores from Rs 142 29 crores in the previous year In the light of this increase, the fall in imports in the current year will be seen to be the natural reaction, which can be considered quite apart from the vicissitudes of exports as affecting the fortunes of the import trade

The fall in imports, it is interesting to note, has been confined to raw material and manufactures while food, drink and tobacco actually show an increase of Rs 2 13 crores on the previous year While raw materials have fallen by Rs 7 75 crores to Rs 33 18 crores, manufactured articles have declined from Rs 108 06 crores to Rs 92 77 crores The bulk of the increase under foodstuffs is accounted for by improvement of Rs 1 60 crores under grain, pulse and flour Imports of wheat shot up from Rs 23 70 lakhs

in 1937-38 to Rs 1 17 crores during the year under review Rice also shows a similar improvement from Rs 10 98 crores to Rs 11 37 crores The increase in imports of species accounted during the year for Rs 80 59 lakhs, while sugar accounts for an increase of Rs 27 lakhs Imports of tobacco were up by Rs 17 lakhs with the result that taking declines in other items, imports of food, drink and tobacco showed an increase of Rs 2 13 crores on the previous year

Imports of raw materials show an all-round decline, though oils and raw cotton account for nearly the whole of it Imports of kerosene fell from Rs 7 22 crores to Rs 6 45 crores, imports from Burma alone having declined from Rs 5 33 crores Petrol suffered a fall from Rs 5 31 crores to Rs 3 86 crores, while vegetable oils declined from Rs 93 49 lakhs to Rs 64 64 lakhs Mineral oils fell from Rs 17 45 crores to Rs 14 67 crores Imports of raw cotton declined from Rs 12 13 crores to Rs 8 51 crores, Bombay alone having reduced her offtake from Rs 11 18 crores to Rs 7 90 crores

Imports of manufactures, as mentioned at the beginning were down by Rs 15 30 crores, to 93 77 crores Of the chief group's in this category, machinery forms a notable exception, imports under this head having actually risen from 17 98 crores to Rs 19 72 crores This rise is unmistakably an index of the progress of industrialisation in the face of disconcerting factors both at home and in the outlook of world economy It is necessary that the chief channels of new productive activity should be defined in so far as they may be from the figures of foreign trade The increase in the figures of locomotives from Rs 44 crores to Rs 61 crores may be dismissed from this point of view as of a routine kind The same may be said of other kinds of machinery, the value of the imports of which has gone up by Rs 1 70 crores to Rs 1 87 crores But the increase in the imports of electrical machinery from Rs 2 69 crores to Rs 3 72 crores is obviously on a different footing and it is interesting to note that the bulk of this increase has gone to the United Kingdom The increase in electrical machinery is from Rs 1 64 crores to Rs 2 34 crores Machinery not being prime movers or electrical machinery increased from Rs 1 17 crores to Rs 1 40 crores Imports of mining machinery increased from Rs 16 93 crores to Rs 25 17 lakhs Machinery for oil crushing and repairing nearly doubled itself by Rs 44 18 crores Machinery required for industries such as jute, cotton and sugar show a decline during the year while tea machinery showed a small improvement from Rs 20 87 lakhs to Rs 22 63 lakhs It is interesting to observe that Bombay reduced its imports of machinery from Rs 5 41 crores to Rs 4 78 crores and Sind showed an improvement of only about Rs 8 lakhs worth of machinery Bengal accounts for almost the whole of the increase from Rs 7 62 crores to Rs 9 79 crores and Madras comes as a distant second with an improvement in imports from Rs 2 49 crores to Rs 2 69 crores And of the total decrease of Rs 15 29 crores under manufactures, the largest is under vehicles, which accounted for Rs 2 24 crores Cotton yarns and manufactures accounted for a fall of Rs 1 40 crores , Silk Rs 1 10 Rs 2 96 crores Metals accounted for a crores, and other yarns and silk fibre decline of Rs 2 55 crores and instruments Rs 1 03 crores Dyes and colours were down by Rs 95 lakhs

Re-exports amounted, during the period under review, to Rs 6 42 crores, at which level it shows a fall of Rs 1 85 crores The bulk of this fall is under raw materials and mainly unmanufactured articles representing a difference of Rs 1 46 crores as between the last two years Raw hides and skins accounts for more than this difference, re-exports having fallen from Rs 3 36 crores to Rs 2 19 crores The story of India's re-exports during 1938-39 is thus almost wholly one of decline in raw hides and skins and in this case, the offtake of Great Britain has fallen from Rs 3 62 crores to Rs 2 17 crores

Exports from India show a serious fall from Rs 180 92 crores to Rs 162 72 crores Grains, pulse and flour were down by Rs 1 75 crores, as rice no longer figures largely in India's foreign trade owing to the separation of Burma Attention has to be concentrated, so far as this group is concerned, only on wheat Exports of wheat declined from Rs 4 62 crores to Rs 2 48 crores Exports to the U K amounted to only Rs 1 82 crores as compared with Rs 2 91 crores in 1937-38 Germany effected a similar cut in her offtake of wheat from Rs 1 47 crores to Rs 41 lakhs Wheat flour declined from Rs 89 4 lakhs to Rs 77 8 lakhs Exports of rice from India, exclusive of Germany, rose from Rs 2 62 crores in 1937-38 to Rs 3 18 crores in the year under review

The change in the position may be best understood if it is remembered that the figure for 1936-37 which is inclusive of Burma is Rs 11 62 crores, Burma's share of it having amounted to Rs 8 91 crores Raw materials and mainly unmanufactured articles declined from Rs 81 45 crores to Rs 73 22 crores The largest fall is under raw cotton, exports of which amounted to only Rs 24 67 crores against Rs 29 77 crores in the previous year Exports to Britain fell from Rs 4 28 crores to Rs 3 55 crores Japan imported from India only Rs 2 27 crores against Rs 14 78 crores in 1937-38 and Rs 25 41 crores in 1936-37 Only China is an exception, having increased her offtake of Indian cotton from Rs 68 78 lakhs to Rs 1 78 crores Raw jute registered a decline of Rs 1 37 crores, while mettalic ores were down by 1 07 crores Exports of hides and skins amounted to only Rs 3 84 crores as compared with Rs 5 04 crores in the previous year The only relieving feature of our export trade in raw materials is the increase in the exports of seeds which increased from Rs 14 19 crores to Rs 15 09 crores Articles mainly or wholly manufactured fell from Rs 55 27 crores to Rs 47 57 crores Cotton yarns manufactured accounted for a decline of Rs 2 17 crores Exports of jute manufactures amounted to Rs 26 22 crores as against Rs 29 08 crores in the previous year Hides and skins accounted for only Rs 5 28 crores of the total export trade Other items show but insignificant declines

The direction of India's trade showed the persistence of the trends noticeable in earlier years The importance of the Empire is still on the increase The U K 's share of the import trade increased from 29 9 per cent to 30 7 per cent There is a similar if not proportionate increase in the U K 's share of our exports It has gone up from 33 3 per cent to 33 7 per cent Other parts of the British Empire have increased their share of our imports from 24 9 per cent to 27 4 per cent and of our exports from 17 9 per cent to 18 3 per cent Japan has lost ground both in imports and exports The fall in imports from 12 8 per cent to 10 1 per cent being the more serious Other important customers of India like U S A , Germany and Italy have also, for different reasons, yielded ground to the rivals The figures for France make a better showing while her position in the import trade is unchanged and her share of our exports has gone up from 2 9 per cent to 3 8 per cent It is significant that the non-descript foreign countries have increased their imports of Indian merchandise from 9 7 per cent to 13 5 per cent while their exports to this country remain unchanged at 8 8 per cent

FOREIGN TRADE THROUGH PORTS OF NATIVE STATES

Kathiawar

The seaborne trade through the Kathiawar ports has, of late, been steadily growing in importance owing chiefly to the lower port charges, as compared with Bombay The following table shows the value of imports and exports and re-exports at the Kathiawar ports from 1925-27 to 1933-34

Year	Imports	Exports	(In thousands of Rs) Re-exports
1926-27	3,07,12	11 18	37
1927-28	2 39,60	30 55	62
1928-29	3,96,43	1,27,01	59
1929-30	3,91 96	98 54	84
1930-31	3 62 74	80 70	16
1931-32	2 76 48	67 39	8
1932-33	4,15 07	80,91	5
1933-34	4,17 82	2 46,43	1,29
1934-35	5,19,09	1,49,25	2,36

The accuracy of figures up to 1930-31 is problematical, as they are from returns prepared in old times and the figures recorded in some cases were inclusive of merchandise imported or exported coastwise

The trade of Cochin is of considerable significance as Cochin is the *enfant terrible* among the Indian ports

Statistics of the trade in Cochin during 1933-34 show that the port has enjoyed a record year and is taking its full share in the revival and development of trade The figures dispel all apprehensions regarding the future of the port

It was in May, 1928, that the first steamer entered in the inner harbour at Cochin The number of steamers which used the port in 1928-29 was 4,79, and every year since then there was a steady increase The number was 509 in 1929-30 , 570 in 1930-31 , 604 in 1931-32 , 615 in 1932-33 Whereas the increase during these four years was only 136, the increase in 1933-34 alone was 66, the number of steamers which called at the port being 681 Of this, only 3 did not come inside the harbour

The tonnage of the goods passing through the ports has also grown considerably, as the following figures show

	Imports	Exports	Total
1930-31	3,96,806	1,01 354	4,98 160
1931-32	4,55,342	90 061	5,45,403
1932-33	4,80,585	88,270	5,68 855
1933-34	6,40,800	1,08 000	7,38,800

(The figures for 1933-34 are approximate)

In this connection the following table showing the total foreign sea-borne and coasting trade of Cochin since 1924-25 will be very interesting , and the figures have been taken from the reports of the Maritime trade for the province of Madras

Cochin Trade Statistics

(Value in lakhs of Rupees)

	Foreign Trade	Coasting Trade	Total Trade	Percentage total of Madras Presy
1924-25	3,45	7 01	10,46	11 04
1925-26	4,11	6,38	10,49	11 00
1926-27	4,07	5,87	9,94 5	10 99
1927-28	5,19	6,36	11,55	11 17
1928-29	5 99	6 00	11,99	11,21
1929-30	4,81 5	6,25	11,13 5	
1930-31	4,53	5,87	10,48	12 40
1931-32	3,73	5 53	9,26	13 00
1933-34	4,39	6 12	10,51	15,40
1934-35	5,81	6 70	12,51	16 77

Considerable trade is also carried on between the French settlements in India, Portugese settlements and Travancore Some twenty years ago the Controller of Currency estimated the total imports and exports at the ports in these non-British possessions at about Rs 36 lakhs and Rs 175 lakhs respectively per annum Certainly the trade should have grown much more now and trade statistics will be very interesting to-day

FRONTIERS
FOREIGN TRADE ACROSS LAND

Prior to April, 1925, the registration of the land frontier trade was done through the Agency of the clerks posted on important roads across the frontiers

A new system of registration of the land frontier trade was, therefore, inaugurated since 1st April, 1925 Only the traffic in selected articles at certain railway stations adjacent to the more important trade routes across the frontier is registered Stations have been selected at which it is estimated that the bulk of inward traffic is intended to be transported beyond the frontier and the bulk of the outward traffic consists of goods which have come from beyond the frontier

For compilation purposes the registration stations have been divided into three groups For purposes of the tables, the trade registered at the three groups of stations has been combined into a lump figure for each commodity

NOTE.—Owing to the separation of Burma as from April 1, 1937, the figures of India's foreign trade after 1937-38 given in this section are exclusive of Burma and are not therefore comparable with those of the previous years The figures necessary for restoring a degree of comparability are provided in the article at the beginning of this section and also in an article headed "Indo-Burmese Trade"

India's Foreign Trade.

(In Lakhs of Rupees)

YEAR AND MONTH	1 Exports of Merchandise	2 Re-exports of Merchandise	3 Imports of Merchandise	4 Balance of trade in Merchandise (1+2−3)	5 Exports of Treasure	6 Imports of Treasure	7 Balance of transactions in treasure (5−6)	8 Balance of trade in Merchandise and treasure (4+7)
1934-35								
April	12,44	26	10,97	+1,73	5,44	9	+5,35	+7,08
May	13,11	23	10,48	+2,86	5,46	23	+5,23	+8,09
June	12,29	19	9,55	+2,93	5,35	14	+5,21	+8,14
July	12,59	26	9,90	+2,95	6,11	7	+6,94	+8,99
August	12,12	20	10,68	+1,64	1,35	12	+1,23	+2,87
September	11,85	22	10,55	+1,52	1,11	14	+97	+2,49
October	12,07	30	12,48	−11	4,28	7	+4,21	+4,10
November	11,98	32	11,40	+90	6,07	31	+5,76	+6,66
December	11,74	49	10,35	+1,88	6,56	54	+6,02	+7,90
January	13,42	28	12,90	+80	4,80	15	+4,65	+5,45
February	12,87	35	10,40	+2,59	5,52	7	+5,45	+8,04
March	15,18	45	12,40	+3,23	5,68	71	+4,97	+8,20
TOTAL 1934-35	151,66	3,55	132,29	+22,92	57,73	2,66	+55,09	+78,01
1935 36								
April	10,76	29	11,60	−55	1,41	19	+1,22	+67
May	14,95	26	11,82	+3,39	2,26	24	+2,02	+5,41
June	12,51	30	9,920	+2,89	1,18	29	+89	+3,78
July	11,80	27	10,06	+2,01	6,19	28	+5,91	+7,92
August	11,83	23	11,19	+87	7,80	11	+7,19	+8,56
September	11,79	23	10,21	+1,81	3,31	18	+3,13	+4,94
October	14,22	31	11,83	+2,70	3,21	10	+8,11	+5,81
November	14,23	48	12,76	+1,95	4,09	17	+8,92	+5,87
December	13,36	36	10,61	+3,11	3,77	10	+3,67	+6,78
January	13,96	3	13,06	+1,27	3,83	93	+2,90	+4,17
February	15,10	30	10,19	+4,91	2,69	1,83	+86	+5,77
March	15,98	36	10,84	+5,50	2,10	1,04	+1,06	+6,56
TOTAL 1935-36	1,60,49	3,76	1,34,39	+29,86	41,84	5,46	+36,38	+66,24

India's Foreign Trade.—(*Contd.*)

(*In Lakhs of Rupees*)

YEAR AND MONTH	1 Exports of Merchandise	2 Re-exports of Merchandise	3 Imports of Merchandise	4 Balance of trade in Merchandise (1+2—3)	5 Exports of Treasure	6 Imports of Treasure	7 Balance of transactions in treasure (5—6)	8 Balance of trade in Merchandise and treasure (4+7)
1936-37								
April	14,99	34	10,11	+5,22	2 35	95	+1,90	+7,12
May	14,21	29	10,05	+4,45	3,30	2,30	+1,00	+5,45
June	13,23	26	980	+3,69	2,85	1,44	+1,41	+5,10
July	14,14	32	10,09	+4,37	4,08	1,07	+3,01	+5,38
August	13,91	32	929	+4,94	2,34	98	+1,36	+6,30
September	14,64	54	955	+5,63	2,23	99	+1,24	+6,89
October	16,12	50	10,68	+5,94	3,26	96	+2,30	+8,24
November	16,83	62	10,62	+6,83	2,64	1,50	+1,06	+7,89
December	17,34	54	998	+7,90	1,60	70	+90	+8,80
January	20,65	142	12,59	+9,48	2,42	1,83	+59	+10,17
Febuary	18,54	52	936	+9,70	1,20	2,50	—1,30	+8,40
March	21,53	58	13,12	+8,99	1,24	21	+1,03	+10,02
TOTAL 1936-37	196,13	625	125,24	+77,14	30,00	15,51	14,49	+91,63
1937-38								
April	16,76	81	15,72	+1,85	1,89	40	+1,49	+3,34
May	16,10	54	14,38	+2,26	1,49	45	+1,04	+3,30
June	17,05	81	13,89	+3,97	86	1,11	−25	+3,72
July	16,89	49	14,18	+3, 0	2,44	57	+1,87	+5,07
August	14,82	45	13,35	+1,92	1,49	46	+1,03	+2,95
September	16,52	59	13,71	+3,40	1,52	76	+77	+4,17
October	15,29	93	14,54	+1,68	1,33	10	+1,23	+2,91
November	14,74	40	15,82	−68	1,25	16	+1,09	+41
December	13,37	64	14,35	−34	1,87	17	+1,70	+1,36
January	13,64	77	15,91	−1,50	1,86	19	+1,67	+17
February	12,09	71	12,58	+22	2,09	6	+2,03	+2,25
March	13,64	115	15,34	−55	85	17	+68	+13
TOTAL 1937-38	180,92	828	173,77	+15,42	18,95	4,59	+14,36	+29,78

Table Showing the volume of principal articles Exported from British India.

(Figures in Thousands unless stated otherwise)

Name of Article		Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Cotton,—Raw	(tons)	430	391	5,21	504	623	607	762	488	483
,, Waste	(cwts)			3 12	283	352	467	489	459	550
,, Piecegoods (millions of	yds)	£90	1,55	1,64	56	58	71	102	241	177
,, Twists & Yarn (millions of	lbs)	193	130	32	16	13	10	12	40	38
Jute, Raw	(tons)	764	464	5,54	748	752	771	821	747	690
,, Gunny Bags (in millions No)		339	716	4,04	402	423	459	567	612	598
,, ,, Cloth (in millions of yds)		970	1,177	1,270	1,053	1,063	1,218	1,708	1,643	1,546
Grain, Pulse and Flour	(tons)				1,870	1,765	1,553	1,878	878	741
Rice not in Husk	,,	2,398	1,685	1,462	1,733	1,592	1,394	1,458	227	281
Wheat	,,	1,308	807	237	2	11	10	211	460	279
Other sorts	,,	715	649	300	135	162	149	189	191	181
Seeds—Essential	,,	10	8	9	8	9	9	10	10	11
Linseed	,,	379	270	251	379	238	165	296	226	318
Groundnut	,,	212	119	195	547	510	413	739	619	835
Other seeds	,,	852	311	468	190	127	95	121	105	46
Tea	(in millions of lbs)	266	323	321	318	325	313	302	335	350
Hides & Skins Tanned & Dressed	(tons)		22	15	20	18	20	25	24	20
Hides and Skins—Raw	,,	78	57	53	42	40	49	51	52	39
Metals—Manufactures and Ores—										
Iron and Steel	(tons)	42	61	95	517	477	598	683	712	595
Other Metals	,,	10	11	38	156	154	171	177	12	10
Manganese Ore	,,	607	474	648	266	455	729	677	1,001	456
Other Ores	,,	12	21	37	39	57	64	71	178	448
Lac	(cwts)	434	34	416	731	586	488	834	665	642
Wool—Raw and Manufactures	(in millions of lbs)	56	51	39	64	44	59	62	49	64
Paraffin wax	(tons)	12	22	26	54	46	54	47	12	9
Oilcakes	,,	140	117	135	287	348	300	336	357	447
Spices	(cwts)	352	315	318	270	286	252	216	366	387
Wood and Timber	(tons)	50	29	35	27	45	65	76	3	3
Rubber, —raw	(millions of lbs)	1	8	13	16	24	31	29	18	17
Coffee	(cwts)	255	216	226	186	141	216	211	135	185

Table showing the volume of principal articles Exported from British India—(*contd.*)

(*Figures in Thousands unless stated otherwise*)

Name of Article		Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1933-34	1934-35	1935-36	1936-37	1937 38	1938-39
Opium	(tons	51	14	9	2	10				
Manures	(cwts)	117	57	118	41	51	61	77	89	53
Fodder, Bran and Pollards	(tons)	223	129	211	254	281	258	277	16	17
Dyeing and tanning substances	(cwts)	1,613	1,261	1,503	1,421	1,545	1,674	1,489	1,626	1,377
Tobacco	(millions of lbs,)	22	26	27	30	27	30	29	52	65
Coir	(tons)	36	23	32	31	31	34	28	37	35
Mica	(cwts)	49	50	60	66	104	167	180	294	162
Fruits and Vegetables	(tons)	11	10	10	13	15	17	18	23	31
Fish (excluding Canned Fish)	(cwts)	249	239	233	236	51	267	280	339	328
Oils	(in millions of gallons)	17	32	27	2 9	2 2	2 4	2 9	5 0	6 2
Coal and Coke	(tons)	825	526	434	374	311	200	250	1,029	1,34
Hemp—Raw	(cwts)	509	561	455	388	437	643	769	830	816
Ghee	(cwts)	47	46	41	24	26	24	27	45	44
Animals—Living	(thousand No)	451	274	238	133	168	268	217	230	179
Silk raw	(lbs)	1,711	1,017	1,325	449	687	979	677	450	363
Fibre for Brushes and Brooms	(tons)		4	5	7	7	8	8	8	9
Bristles	(cwts)	94	4	3	4	4	5	5	5	5
Cordage and Rope	(cwts)	53	56	55	42	53	48	56	55	48
Candles	(lbs)	6,069	8,014	9,692	1,885	1,767	1,879	1,769	6	2
Saltpetre	(cwts)	305	440	273	188	173	174	1,67	158	135
Tallow, Stearine and Wax	(cwts)	17	13	29	8	4	3	3	5	5
Horns, Tips, etc	(cwts)	88	30	70	42	37	37	69	60	32
Sugar	(tons)	11	8	18	1 6	1 5	1 4	24 7	93 5	59 3

Table showing the value of the principal articles Exported from British India

(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919 20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Cotton, Raw	33,28	33,63	65,47	27,53	34,95	33,77	44,41	29,03	23,86
,, Manufactures	11,40	11,73	17,22	2,73	2,65	2,93	3,78	9,29	7,12
Manufacturs10	20,25	40,20	43,15	21,37	21,47	23,49	27,95	29,08	26,22
, Raw	22,20	12,80	19,53	10,93	10,87	13 71	14,77	14,72	13,35
Tea	13,07	17,55	20,92	19,84	20,13	19,82	20,03	24,38	23,40
Grain, Pulse and Flour	45,81	37,42	32,83	11,75	11 84	12,41	15,32	9,49	7,74
Seeds	24,37	12,17	23,54	13,66	10,54	10,33	18,47	14,18	15,09
5eather	4,30	7,19	6,24	5,83	5,48	5,63	7,36	7,25	5,28
Metals and Ores — Manganese Ore	99	89	1,45	51	80	1,32	1,31	2,21	1,07
Metals and Ores — Other metals and Ores	70	1,83	2,74	4,98	5,11	6,41	6,71	3,93	4,84
Hides and Skins (raw)	10,32	9,88	9,45	4,25	313	4,13	4,43	5,04	3,84
Paraffin Wax	55	98	1,19	2,29	192	2,28	1,96	51	36
Oil-Cakes	1,06	95	1 61	1,65	1,97	1,82	2,27	2,43	3,01
Wool—Raw and Manufactures	2,94	4,11	4,09	2,72	2,17	2,93	3,74	3,72	3,85
Lac	2,20	2,57	8,42	2,46	3,30	1,58	2,34	1,62	1,26
Coffee	1 38	1,18	1,47	1,02	73	1,02	84	55	75
Tobacco	37	56	85	94	82	92	93	2,00	2,76
Dyeing and Tanning substances	1,15	2,41	1,52	79	72	70	64	67	59
Spices	85	1,03	1,12	72	77	55	55	93	79

Table showing the value of the principal articles Exported from British India—(*contd.*)

(*In Lakhs of Rupees*)

Name of Article	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Fodder, Bran and Pollards	90	42	1,20	47	77	73	96	9	9
Fruits and Vegetables	47	57	64	99	108	165	1,70	2,08	2,27
Coir	80	54	1,02	77	80	87	71	1,04	96
Wood and Timber	1,00	71	1,12	84	110	135	1,77	29	24
Oils	92	1,87	3,78	57	55	64	70	1,01	1,03
Fish (excluding canned fish)	39	43	57	45	45	46	45	69	67
Coal and Coke	76	48	57	37	29	17	20	99	1,36
Provisions and Oilman's stores	46	60	66	28	28	27	28	63	59
Mica	36	57	80	45	69	83	94	1,48	1,14
Hemp—Raw	78	1,18	90	36	39	60	69	75	72
Drugs and Medicines	19	30	36	24	26	25	27	28	28
Fibre for Brushes, etc		15	21	22	19	22	20	20	16
Bristles	16	14	15	17	23	23	29	32	26
Saltpetre	35	80	46	15	14	13	11	11	11
Opium	9,96	2,17	2,33	73	7				
Animals—Living	28	22	30	10	12	9	8	9	8
Apparel	15	11	21	11	11	13	14	16	13
Rubber—Raw	39	1,58	1,18	31	66	89	104	84	72
Building and Engineering materials other than Iron, Steel or Wood				10	10	10	13	18	15
Cordage and Rope	8	11	13	7	7	7	8	9	8
Tallow, Stearine and Wax	9	8	12	3	3	3	4	1	1
Candles	17	23	20	5	5	5	5		4
Silk—Raw and manufactures	50	45	42	3	5	6	7	7	24
Sugar	16	22	56	2	2	2	6	40	2
Horns, Tips, etc	21	7	12	3	2	3	4	4	
All other articles	2,77	2,89	5,61	3,34	3,76	4,90	7,26	8,23	6,24
TOTAL EXPORTS	2,19,50	2,15,97	2,86,33	1,47,25	1,51 67	1,60,52	1,96,13	1,80,92	1,62,77

Exports of Jute—Raw

(Quantity in Thousands of Bales) — *(Value in Lakhs of Rupees)*

Country to which Exported	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	1,691	1,295	952	993	932	930	1 053	811	1,025	8,97	2,56	2,35	296	3,48	2,81	3,51
Other parts of the Br Empire	4	8	5	28	29	25	29	24	14	2	6	8	9	8	4	5
United States of America	535	523	483	290	289	445	494	555	174	2,33	75	76	136	159	1,85	67
France	428	198	357	469	465	420	491	365	426	2,25	1,25	1,22	137	83	1,35	1,50
Italy	213	215	180	364	437	275	423	419	258	1,15	96	1,27	89	1,40	1,52	91
Brazil	15	66	79	107	100	111	119	142	137		33	33	38	42	56	52
Japan	17	30	60	97	130	128	191	85	81	11	24	32	40	58	28	27
Belgium		1	174	313	341	294	392	237	237	14	83	86	100	124	105	75
Spain	122	172	132	200	241	237	93	26	57	65	51	61	88	29	9	18
Germany	920	34	586	926	761	380	848	829	578	4,90	242	1 51	273	236	2,95	2,70
Austria / Hungary	250	13	2													
Other Countries	86	44	92	761	439	525	459	657	879	1,68	95	198	165	175	2,22	2,29
Total British Empire	1,695	1,303	957	1,017	961	954	1,032	835	1,039	8,99	2,62	2,43	305	356	2,85	3,56
Total Foreign Countries	2,589	1,296	2,145	3,173	3,250	3,365	3,513	33,50	2,827	13,21	8,31	8,45	10,66	11,20	11,87	9,79
Grand Total	4,281	2,599	3,102	4,190	4,214	4,319	4,595	4,185	3,866	22,20	10,93	10,87	13,71	14,77	14,72	13,35
Percentage of Br Empire	39 6	50 1	30 9	24 2	22 8	22 0	23 6	20 0	26 8	40 5	23 9	22 2	22 3	24 1	19 7	26 7

Exports of Jute Manufactures.

Gunny Cloth

(*Quantity in Lakhs of Yds*) (*Value in Lakhs of Rupees*)

Name of Countries to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post War Average 1919-20 to 1923-24	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average 1909-10 to 1913-14	1932-33	1933 34	1935-36	1935-36	1936-37	1937-38	1938-39
United Kingdom	423	1,333	741	575	516	494	857	1330	1,579	1,713	56	63	57	53	89	134	160	158
Ceylon				23	26	23	18	21	21	19		3	3	3	2	2	2	2
Union of South Africa				45	64	69	85	120	101	102	2	7	9	9	11	13	12	11
Canada	333	534	508	655	801	685	754	999	1,019	8 45	40	65	87	70	75	88	91	71
Australia and New Zealand	209	253	175	277	243	284	308	345	357	3,51		40	35	40	43	43	45	42
China				42	15	11	6					5	2	1	1			
Philippine Islands and Guam				209	178	137	175	261	238	2,28		33	28	19	23	32	28	25
Egypt				66	11	96	99	101	110	86	1	8	13	12	12	10	12	9
United States of America	6,6398	6,95	8,938	5,488	6,747	6,099	77,50	1,03,81	9,538	8,413	692	510	660	593	731	865	826	670
Uruguay				96	102	78	26	92	208	56		10	12	8	3	9	21	5
Argentine Republic	1,727	1,440	1,813	2,375	1,696	22,92	16,63	27,37	2,370	2,909	209	247	193	245	182	278	244	262
Peru				22	30	39	39	36	24	26		2	3	4	4	3	2	2
Other Countries	369	1,016	528	244	286	228	403	674	86,671	708	76	30	35	41	48	70	94	73
Total British Empire				1,580	1,650	15,64	21,22	29,72	3,279	2,324		178	1,95	1,76	220	280	332	2,84
,, Foreign Countries				8,537	8,866	90,72	101,61	141,25	13,152	13,132		846	6-44	9,23	1,004	12,67	1,205	10,46
GRAND TOTAL	9,700	11,561	12,703	10,117	10,522	10,635	121,83	170,99	16,431	15,456	10,76	10,24	11,38	10,99	12,24	15,47	1,537	13,30

Exports of Jute Manufactures—(*Contd*)

(Quantity in Lakhs of Bags) *Jute Bags* *(Value in Lakhs of Rupees)*

Countries to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average 1909-10 to 1913-14	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	305	2,265	418	451	480	513	702	617	752	79	98	103	12	134	114	110
Germany				16	9	20	31	21	22	15	4	2	5	6	4	4
Europe excepting United Kingdom	206	688	299													
Netherlands				16	11	22	26	24	10		4	3	5	5	5	2
Belgium				91	89	92	113	134	996		20	16	17	21	26	20
France				7	6	7	17	13	9		2	2	2	3	2	2
Portuguese East Africa [E Africa incl Mauritius]	99	90	112	117	142	156	187	192	156	14	25	31	33	36	39	30
Union of South Africa [S Africa incl Rhodesia]	119	243	177	154	240	249	286	304	282	39	46	66	67	68	72	67
Far East excepting Java and Japan	393	436	584													
Straits Settlements (incl Labuan)				141	46	50	46	50	54		35	12	14	12	13	12
Siam				128	424	311	218	128	235	27	31	98	73	48	29	53
Indo-China				74	118	198	259	238	228		17	27	44	54	50	48
Hawaii				171	189	152	203	188	153	19	23	27	20	25	22	17
China				6	12	7	23	370	29		1	3	2	5	81	6
Japan	35	118	186	62	182	198	303	55	32		14	41	48	64	11	6
Java	130	206	205	128	99	130	267	346	234	45	34	26	36	67	84	60
Egypt	119	385	102	175	190	235	269	167	220	48	52	55	64	61	44	53
Central America and West Indies	130	229	238													
United States of America				89	119	164	164	189	104	92	12	18	22	20	21	12
Cuba and West Indies				237	313	314	319	346	314	44	66	88	91	89	91	85
Chile and Argentine [S America]	431	532	335	193	70	96	119	100	108	85	40	39	23	24	19	20
Australia and New Zealand	628	737	720	876	668	745	929	809	788		242	193	208	230	197	189
Other countries	796	747	607	874	12,10	930	1163	1832	1248	432	259	175	217	239	390	450
TOTAL BRITISH EMPIRE				2,047	1,752	17,27	29,59	2045	25,27		488	427	453	5,04	569	5,02
TOTAL FOREIGN COUNTRIES				2,094	2,477	28,62	36,15	4078	34,57		484	598	648	7,05	748	7,44
GRAND TOTAL	3,391	6,676	4,043	4,016	4,229	45,89	56 74	6123	59,84	939	972	10,25	11,01	12,09	1317	12,46

Exports of Cotton—Raw

(*Quantity in Thousands of Bales of 400 lbs*) (*Value in Lakhs of Rupees*)

Country to which Exported	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935 36	1936-37	1937-38	1938-39
United Kingdom	221	212	152	349	347	456	622	395	411	172	3 37	3,42	4,51	6,54	428	3,55
Other parts of British Empire	30	21	13	1	3	3	4	5	6	41	2	3	5	5	5	6
Japan	1,012	1,373	1,540	1,106	2,055	17,59	24,26	1,359	1,221	14,51	11,38	21,53	17,94	25,41	14,79	11,27
Italy	233	249	263	261	278	154	1,65	95	102	3,18	2 39	2,55	1,42	1,70	1,56	69
France	109	69	91	161	148	166	155	69	169	1,51	1,53	1,35	1,62	1,58	94	1,45
China (exclusive of Hongkong, etc)	31	48	289	345	142	109	72	197	193	43	3,30	1,29	1,05	72	69	1,71
Belgium	277	44	217	144	153	225	312	196	141	3,68	1 43	1,49	2,20	3,21	210	1,24
Spain	50	41	61	42	61	68	26		2	73	63	55	64	25		1
Germany	351	69	198	246	153	264	218	291	189	4,45	2,10	1,37	2,61	2,26	1,69	1,58
Other Countries	192	64	93	173	150	193	368	152	269	266	1,07	1,37	1,74	2,69	157	2,30
Total British Empire	152	233	165	343	350	459	604	400	417	213	3,39	3,45	4,56	6,59	4,33	3,61
Total Foreign Countries	2,255	1,957	2,752	2,478	3,140	2,938	36,64	23,32	2,286	31,15	24,13	34,50	29,23	37,82	24,70	20,25
GRAND TOTAL	2,407	2,190	2,917	2,821	3,490	3,397	4,268	27,32	2,703	33,28	27,52	31,95	33,77	44,41	29,03	23,86

Exports of Tea

(*Quantity in Millions of lbs*) (*Value in Lakhs of Rupees*)

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	194	252	280	276	288 5	275 6	256 2	287 7	303 5	9,51	17,59	18,15	17,75	17,16	21,33	20,31
Canada	10	10	10	15	13	12 8	14 9	15 4	15 3	55	77	65	64	75	1,00	97
Australia	9	8	6	2	2	1 9	1 0	0 9	1 3	41	11	8	10	5	6	9
Ceylon	4	3	3	3	3	3 5	2 6	3 4	2 0	27	20	20	23	18	23	26
Egypt	1	2	2	1	1	0 6	0 3	0 1			7	4	3	2		3
Iraq			12	5	0 5	0 6	0 5		0 4		3	3	4	3		2
Russia	30	18		7		1 0	1 7	0 6	0 2	1,42	4		8	13	6	
United States of America	2	6	6	8	8	6 9	7 9	6 2	0 7	12	46	41	36	43	37	46
China	8	6			1				7 9	36						
Persia		4	2	1		1 8	11 0	4 4		2	6		14	92	43	47
Georgia									5 1							
Arabia				5	1	0 8	0 5	0 4		1	3	6	4	3	3	2
New Zealand				2 5	1	0 4	0 2	0 3	0 3		13	7	2	1	2	2
Other Countries	8	14	10	6 8	5 8	6 9	5 1	24 7	13 2	40	36	58	39	42	92	75
Total British Empire	221	280	306	299 5	306 5	291 2	274 9	308 7	322 4	10,74	18,80	19,01	18,78	18 17	22,91	21,66
Total Foreign Countries	45	43	15	18 5	18 3	18 3	26 3	26 0	27 5	2,33	1,05	1,12	1,14	1,85	147	1,74
GRAND TOTAL	266	323	321	18	324 8	312 7	301 9	334 7	349 9	13,07	19,85	20,13	19,82	20,04	24,38	23,40

Exports of Oil Seeds.

Groundnut

(*Quantity in hundreds of tons.*) (*Value in Lakhs of Rupees*)

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
France	169,1	87,5	126,8	188,0	99,3	140,7	173,0	72,3	157,3	2,82	2,33	1,47	2,29	2,87	1,02	1,85
United Kingdom	1,9	8,3	13,3	52,8	134,2	62,4	134,9	94,6	120,9	3	67	1,70	1,00	2,21	1,39	1,45
Belgium	15,3	6	14,0	13,5	14,0	9,2	38,7	43,7	104,4	27	14	15	14	65	58	1,22
Italy	7	2,9	14,6	72,4	54,4	17,8	76,1	111,6	34,6	2	84	59	30	1,31	1,67	41
Germany	7,4	8	12,9	97,2	65,1	71,3	110 1	108,0	101,1	12	1,18	73	1,12	1,81	1,58	1,19
Netherlands	1		7,3	100,9	114,9	95,2	175,4	146,5	163,7		1,22	1,27	1 54	2,90	2,11	1,96
Other Countries	17,3	18,6	7,0	21,6	29 3	1,60	31,3	42,7	153,1	27	25	2	26	54	58	1,85
TOTAL	211,8	118,7	195,2	546,5	511 2	412,6	739,5	619,4	835,1	10,14	6 63	5,93	6,65	12,29	8,93	9,93

Linseed

(*Quantity in hundreds of tons*) (*Value in Lakhs of Rupees*)

Name of Countries	Pre-War Average	War Average	Post War Average	1933-34	1934-35	1935 36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935 36	1936-37	1937-38	1938-39
United Kingdom	130,5	203,5	141,9	176,4	103,8	90,1	217,7	174,6	254,2	2,65	2,01	1,28	121	319	274	354
France	76,8	25,3	42,9	42,6	13,7	7,6	7,6	6,3	8,8	1,56	51	17	10	11	10	12
Italy	26,6	16,6	16,1	21,7	10,1	6 7	8	1,2	9	55	31	13	9	1	2	1
Belgium	67,8	4,9	23,1	10,2	8	3 6	2	2,0	7	1,56	13	1	5		3	1
Germany	33,5	2,0	3,2	10,3	5,4	8 4	13,9	7,4	1,0	70	13	7	11	20	12	14
Australia	1,6	11,1	11,4	12,0	21,4	9 7	18,3	22,1	21,0	3	14	26	13	27	36	29
Other Countries	42,2	7,0	12,9	103,7	83,2	38,6	37,5	17,5	28,3	94	1,56	1 08	52	58	20	29
TOTAL	379,0	270,4	251,5	378,9	238,4	164,7	296 0	226,0	317,9	7,99	4,58	3,00	221	436	357	440

Exports of Oil Seeds—(Contd)

(*Quantity in Hundreds of Tons*) CASTOR SEEDS (*Value in Lakhs of Rupees*)

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	53,9	47,1	10,5	27,0	26,4	22,4	20,5	12,7	1,4	78	33	31	31	29	19	2
United States of America	11,8	14,7	18,8	23,4	13,9	40	1 7			18	29	17	5	3		
Belgium	13,7	1,1	4,1	3			36	12		20			1	5	2	
France	15,7	14,8	8,8	13,0	9,2	14,6	6,5	49	2	23	16	12	21	10	7	
Italy	11,0	7,1	4,3	7,9	5,1	67	1 4	48		16	10	6	9	2	11	
Other Countries	7,5	4,0	1,8	10,0	20,4	12,3	94	16,5	60	11	12	15	16	14	25	8
TOTAL	113,6	88,8	48,3	81,6	68,7	60,0	43,1	42,1	7,6	1,66	1,00	81	83	63	64	10

RAPE-SEED

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	25,3	50,5	46,7	19,7	12,2	20	15,0	16,1	2,7	35	21	14	3	13	20	3
France	63,5	19,6	17,0	11,1	5,2	33	71	31	3,6	96	13	6	4	10	5	5
Italy	7,1	6,0	26,0	9,7	3,4	2	56	55	5	11	11	4		8	8	1
Belgium	98,6	5,4	56,5	4,3	2,6	10	26	31	1,3	1,52	5	3	1	4	5	2
Germany	68,2	1,6	38,4	9,6	4,2	47	8	3	3	1,05	11	5	6	1		
Other Countries	10,0	7,6	21,2	21,9	9,3	78	65	38	3,3	16	23	10	12	18	8	5
TOTAL	272,7	90,7	205,8	73,5	36,9	190	376	31,9	11,7	4,15	81	42	26	54	46	16
Percentage of United Kingdom to total	9 3	55 7	22 7	22 7	33 1	10 5	39 9	44 2	23 9	8 4	22 2	33 3	11 5	24 1	43 5	18 8

Exports of Rice not in Husk

(Quantity in Thousands of Tons) *(Value in Lakhs of Rupees)*

Name of Countries	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average 1909-10 to 1913-14	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	159	325	96	71	88	50	54	6	6	157	43	53	39	42	6	6
Ceylon	325	328	311	403	392	424	428	91	105	427	270	278	350	3,51	66	117
Straits Settlements	308	261	170	154	135	138	161	8	11	324	88	82	108	120	10	13
Union of South Africa				25	26	26	33	23	25	32	21	25	28	36	28	31
Kenya Colony, Zanzibar Pemba				16	11	12	13	2		33	15	12	13	14	5	6
Australia and New Zealand				6	7	4	7			21	3	4	3	5		
Belgium				41	20	8	8			42	15	8	5	5		
Germany	345	23	207	246	158	79	54		3	341	138	88	55	39		
Netherlands	240	24	31	81	62	70	11,2			216	43	39	45	76	6	3
China	13	6	68	171	173	72	17	6			93	97	50	12		
Japan and Korea	123	52	52		4	9	48			134		3	7	36		
Sumatra	10	33	33	70	70	75	47			11	41	40	49	33		
Java	168	82	75	4	26	4	1			177	2	15	3	1		
Bahrein Islands				13	12	18	19	9	8	25	13	11	18	19	10	9
Egypt	54	17	36	24	30	14	9			54	43	17	10	6		
Mauritius and Dependencies	56	50	50	52	62	55	50	20	39	74	37	47	48	48	21	42
Cuba				46	17	25	32	3	3		28	9	21	28	3	3
West Indies				22	36	43	29	3	4	19	14	25	34	24	4	4
United States of America				1	3	2	3	2	3		1	2	2	4	2	3
Arabia	25	38	47	44	48	47	49	30	43		36	41	44	48	32	45
Other Countries	572	446	289	210	292	219	283	24	31	480	1,22	181	163	212	68	45
Total British Empire	1,044	1,094	835	790	583	802	860	166	218	110,80	4,90	5,18	608	650	191	247
„ Foreign Countries	1,354	591	627	943	1,009	592	597	61	63	5,61	5,62	5,12	487	449	70	70
GRAND TOTAL	2,398	1,685	1,462	1,733	1,593	13,94	14,57	227	281	25,67	10,52	10,03	10,95	11,59	261	317
Percentage of Br Empire	43 5	65 0	57 1	45 4	37 0	60 5	63 8	73 1	77 6							

Exports of Hides and Skins.

Raw Hides

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	31	1,09	60	11	10	14	28	21	9
United States of America	69	1,65	86	1	1	1	5	3	
Italy	84	1,45	52	18	24	12	9	8	10
Spain	47	21	26	4	3	5			
France	8	9	5				3	4	2
Belgium	7	1	4						
Germany	2,43	25	75	34	29	37	43	37	27
Netherlands	17	1	4	6	10	5	3	8	3
Other Countries	1,52	28	30	26	33	38	42	76	51
Total British Empire	34	1,16	68	12	10	14	28	21	9
Total Foreign Countries	6,23	5,88	2,74	89	100	98	105	136	93
Grand Total	6,57	5,05	3,42	1,01	1,10	1,12	1,33	1,57	102
Percentage of British Empire in total	5 2	22 9	19 9	12	9 1	12 5	20 9	13 4	8 8

Raw Skins

Name of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	26	39	50	84	46	76	88	1,03	51
United States of America	2,80	3,93	4,80	1,59	1,09	1,63	1,55	1,61	149
France	25	22	28	16	6	6	16	12	16
Other Countries	42	28	43	64	41	53	42	61	62
Total British Empire	32	57	69	91	54	87	88	1,03	51
Total Foreign Countries	3,41	4,25	5,33	2,32	1,48	2,11	2,13	2,34	2,27
Grand Total	3,73	4,82	6,02	3,23	2,02	2,98	3,01	3,37	2,78
Percentage of British Empire in total	8 6	11 8	11 3	28 1	26 7	29 2	29 0	30 6	18 4

Exports of Wheat

Name of Countries to which Exported	(Quantity in Thousands of Tons) Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933 34	1934-35	1935-36	1936 37	1937 38	1938-39	(Value in Lakhs of Rupees) Pre-War Average 1909-10 to 1913-14	1933-34	1934-35	1935-36	1936-37	1937-38	1932-33
United Kingdom	985	340	162		8 6	7 0	209 9	290 2	205 6	10 51		7	5 9	188 2	291 4	182 1
France	106	84	18							113						
Italy	34	62	11							37						
Belgium	138	6	16						7 4	146						6 9
Germany	16		8					148 0	47 6					8 9	147 3	41 2
Egypt	4	268	9				9 8			4						
Arabia				0 6	0 7	0 6					0 6	0 7	0 6			
Other Countries	25	47	13	1 5	1 7	2 0	11 8	21 6	18 6	46	2 7	2 9	3 0	12 4	23 7	18 0
Total British Empire	992	630	173		8 6	7 0	209 9	290 2	205 6	10,60		7 0	6 0	188 2	291 4	182 1
,, Foreign Countries	316	177	64	2 1	2 4	2 6	21 6	169 6	73 6	3,37	3 3	3 6	3 5	21 4	171 0	66 1
GRAND TOTAL	1,308	807	237	2 1	11 0	9 6	231 5	459 8	279 2	13,97	3 3	10 6	9 5	209 6	462 4	248 2
Percentage of British Empire	75 8	78 1	73 0		78 2	72 9	69 6	60 8	73 6							

Exports of Hides and Skins Tanned and Dressed

Dressed and Tanned Hides.

(*Value in Lakhs of Rupees*)

Name of Country to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	1,52	4,38	2,91	2,38	1,94	2 21	3,06	3,08	2,08
Other Countries	4	2	29	3	4	8	12	13	19
Total British Empire	1,53	4,39	3,03	2,38	1,94	2,21	3,06	3,08	208
Total Foreign Countries	4	1	16	3	4	8	12	13	19
Grand Total	1,57	4,40	3,19	2,41	1,98	2,29	3,18	3,21	227
Percentage of British Empire in total	97 5	99 8	95 0	99 0	98 5	97	96 2	95 9	91 7

Dressed and Tanned Skins

Name of Country to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	2,15	1,99	2,14	2,92	2,91	2,62	3,22	2,91	227
United States of America	29	59	25	4	3	3	2	2	2
Japan	13	12	36	21	24	19	22	17	6
Other Countries	13	6	18	7	7	7	11	15	13
Total British Empire	2,21	2,02	2,26	2,95	2,93	2,63	3,23	2,92	228
Total Foreign Countries	50	73	67	29	32	28	34	33	20
Grand Total	2,71	2,75	2,93	3,24	3,25	2,91	3,57	3,25	248
Percentage of British Empire in total	81 5	74 5	79 5	91 5	90 2	90 0	90 5	89 8	91 5

Exports of Manganese Ore.

(*Quantity in Thousands of Tons*) (*Value in Thousands of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	1,93	3,36	2,45	117	159	197	2,16	284	115	30,66	25,40	32,82	38,64	43,93	60,81	25,97
Germany	7	3	5	3	1	17	15	17	2		60	31	3,61	4,31	4,43	1,20
Netherlands	19		15	3		15	20	5			55		2,55	2,59	94	26
Belgium	1,50	15	1,94	19	37	72	98	85	10	25,84	2,49	6,50	12,65	20,36	22,67	3,31
France	97	47	1,08	61	113	119	87	189	87	17,24	10,60	17,76	20,69	17,19	42,62	18,45
Italy	12	12	12			16	2	35	47					26	11,96	16,12
Japan		12	2	62	99	174	128	187	110		10,77	13 95	28,96	20,18	35 14	23,40
United States of America	1,32	48	66		45	106	87	169	67	18,75	1	8,07	19,99	16,48	34,71	15,15
Other Countries	2	1	1	6	50	13	24	30	15	6,15	29	1,07	5,19	5,25	8 01	3,40
TOTAL	6,07	4,74	6,48	266	460	729	677	1001	456	93,64	51,34	80,48	132,41	131,54	221,29	107,25
Percentage of U K. to total	1 8	70 9	37 8	44 0	34 1	27 0	27 0	32 1	25 2	31 8	50 0	40 8	29 1	31 6	27 5	724 2

Exports of Shellac.

(*Quantity in Thousands of Cwts*) (*Value in Lakhs of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	79	65	66	229	44	145		105	121		1,23	144	17	42	27	27
United States of America	164	191	233	82	87	156		141	127		31	49	31	49	38	27
Germany	61	4	11	20	28	50		50	34		11	13	10	16	13	7
France	18	9	9	8	9	13		10	9		4	5	3	4	3	2
Japan	4	12	10	48	54	67		37	25		10	29	19	21	11	6
Australia	2	2	2	4	7	5		4	4		1	3	2	1	1	1
Belgium				3	4	3		3	2		1	2	1	2	1	
Italy				6	7	2		3	4		2	4	3	1	1	
Other Countries	28	18	15	46	75	55		57	58		11	38	18	17	17	15
TOTAL	356	301	356	432	285	497		409	384		1,94	2,37	104	153	111	85
Percentage of B Empire to Total	22 8	22 3	21 9	49 8	15 5	29 1		25 6	32 7		60 4	50 2	16 3	27 4	24 5	39 7

Exports of Pig Lead

(Value in Lakhs of Rupees)

Names of Countries	1933 34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	127 7	88 0	111 5	168 0		
Germany						
Belgium						
Ceylon	3 6	3 2	3 3	4 7		
China	0 9	0 5				
Japan	17 1	40 6	54 5	58 8		
Other Countries	2 4	7 9	9 1	23 0		
Total British Empire (United Kingdom and Ceylon)	131 3	86 9	114 8	172 7		
,, Other Countries	20 4	49 0	63 6	62 2		
TOTAL	151 7	135 9	178 4	234 9		
Percentage of U K and Ceylon in total	87 5	63 9	64 3	73 6		

Exports of Wolfram Ore

(Value in Lakhs of Rupees)

United Kingdom	60 9	97 5	127 1	73 4		
Germany	1 7	4 0	3 9	4 5		
Other Countries	1 8	5 9	9 6	3 0	0 6	
TOTAL	64 4	107 4	140 9	109 0	0 6	0 2
Percentage of United Kingdom	94 5	90 9	90 4	67 3		

Exports of Coal

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average 1909-10 to 1913-14	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
United Kingdom		3 1					
Ceylon	43	25 9	23 0	12 6	17 1	35 9	26 0
Burma						48 7	58 9
Straits Settlements	17	0 5	1 8	1 0	1 1	3 7	0 6
Hongkong		6 5	3 3	2 9		1 2	5 6
Philippine Islands and Guaw		0 4					
Other Countries	16	0 7	0 7	0 8	2 2	5 1	40 6
Total British Empire	60	36 2	28 4	16 5	18 2	89 5	91 1
,, Foreign Countries	16	1 1	7	0 8	2 2	9 5	40 6
GRAND TOTAL	76	37 3	29 2	17 3	20 4	99 0	131 7
Percentage of British Empire in total	78 9	97 0	97 6	95 4	89 24	99 0	69 2

Exports of Pig Iron

United Kingdom		21 6	21 3	15 0	39 8	102 3	54 7
Germany		1 8	0 8	0 8			
China		4 4	3 8	1 9	1 9	1 1	164 3
Japan		40 2	54 2	91 8	69 0	128 9	3 7
United States of America		13 8	6 9	12 0	12 9	21 3	33 6
Other Countries		3 2	5 7	3 0	5 9	6 1	
TOTAL		85 0	92 7	124 5	129 0	259 7	256 4
Percentage of United Kingdom		26 2	22 9	12 0	30 8	39 4	21 3

Exports of Raw Wool

(In Lakhs of Rupees)

	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	261	146	92	138	201	209	241
United States of America	4 5	33	25	57	65	43	50
Other Countries	2 5	19	10	15	20	13	8
TOTAL	268	198	127	210	286	265	299

Manufactures.

	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Cemals & Rugs							
United Kingdom	19	56 5	73 9	0 3	65 6	76 2	61 2
Ceylon		1 9	1 6	60 7	0 5		
United States of America	2 4	8 5	7 8	13 1	12 0	13 8	7 1
Australia		0 6	1 0	1 6	1 0	1 1	1 2
Other Countries	1 7	5 2	5 5	4 9	6 5	11 4	12 1
TOTAL	25 1	72 7	89 8	80 6	85 6	102 5	81 1
Other kinds of Woollen Manufactures	2 8	1 3	2 0	2 3	2 2	5 3	4 7
Total of Woollen Manufactures	25 9	74 0	91 8	82 9	87 8	107 8	86 3
Total of Wool and Woollens	294 0	273	219 2	293 0	373 9	372 4	385 3

Table showing the volume of principal articles imported into British India

(Figures in thousands unless stated otherwise)

Names of Articles		Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Cotton—										
Piecegoods (millions of yds)		2,654	1,853	1,352	796	944	947	764	591	674
Twist and yarn (millions of lbs)		42	34	45	32	34	45	29	22	36
Raw	Tons	12	58	12	43	60	61	65	134	96
Waste	Cwt	3	2							
Metals and Ores —										
Iron and Steel { Protected / Not Protected }	Tons / ,,	808	422	661	244	456	449	363	372	272
Copper	,,	593	90	260	278	495	417	221	316	168
Lead	,,	123	102	67	28	28	28	26	156	149
Zinc	,,	106	51	101	318	376	4,87	4,76	447	523
Brass	,,	20	113	444	471	637	5,09	3,29	219	315
Aluminium	,,	131	9	58	39	52	64	63	67	58
Sugar	,,	727	553	517	264	223	201	23	19	36
Oils —										
Mineral (millions of gallons)		91	83	139	186	201	227	234	475	439
Other kinds (thousands of gallons)		1,197	862	445	6,383	8,346	9,536	8,932	7,855	7,614
Motor Cars	No	(a) 3	2	8	10	14	14	13	16	11
,, Cycles	,,	(a) 1	1	2	0 7	0 8	0 7	0 9	1 3	1 4
,, Omnibuses, etc,	,,			1	5	10	8	9	15	8
Grain, Pulse and Flour	Tons	15	34	136	124	416	236	100	1,336	1,603
Silk Raw & Waste	lbs	2,567	1,953	1,816	2,379	2,217	2,191	1,974	2,535	2,248
,, Piecegoods including mixed goods (in millions of yds)		32	23	20	51	47	36	28	32	25
,, Yarns, Noils, Warps, etc	lbs	1,011	787	734	2,028	3,293	3,628	2,444	2,337	1,120
Wool—Raw	,,	3,202	3,678	2,086	5,099	5,985	7,485	6,774	8,173	7,296
Piecegoods (millions of yds)		22	8	5	11 5	11	5	5	7	2
Shawls	No	1,668	198	80	332	416	500	495	493	481
Liquors	gallons	6,401	4,362	4,825	4,855	4,912	5,121	5,069	4,917	4,721
Paper and Pasteboard	cwts			1,229	2,564	2,938	3,333	3,203	3,635	3,073
Spices	,,	1,329	1,365	1,265	1,365	1,509	1,634	1,758	1,646	2,069

(a) Figures for 1913-14

Table showing the volume of principal articles imported into British India—(*Contd.*)

(*Figures in thousands unless stated otherwise*)

Names of Articles		Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Chemicals—	cwt	531	826	903	1,672	1,909	2,347	1,835	2,216	2,351
Tobacco	(in millions of lbs)	3	4		5	4	3	4	8	8
Glass—Bottles and Phials	gross	166	345	333	786	8,30	1,040	846	846	982
Glass Beads and false Pearls	cwt	29	18	22	22	21	22	19	21	27
,, Sheet & Plates	(millions of sq ft)	16	8	15 5	20	25	31	27	21	12
Dyes from Coal tar	(in millions of lbs)	15	3	12	14	19	20	17	21	
Camphor	lbs.	1,417	1,632	707	1,786	2 019	2,207	1,868	1,771	
Quinine Salt	,,	119	76	81	128	108	104	99	105	82
Fruits—Dried, Salted, etc	tons	53	53	63	57	84	90	90	93	34
Soap	cwt	314	342	289	303	207	60	48	42	253
Paints and Colours	,,	296	255	299	370	356	371	372	279	21
Cement	tons	30	95	119	66	67	59	51	32	17
Bricks and Tiles	(millions) No	18	17	20	14	14	18	15	22	312
Salt		545	444	511	373	378	387	382	347	160
Teak wood	C tons	92	70	26	12	9	1	7	170	0 8
Boots and Shoes	(millions of pairs)	2 3	1 2	0 6	7 3	4 3	2 9	1 7	1 2	3 9
Books, Printed, etc	cwt	31	28	23	30	34	34	39	42	3 1
Tea	(millions of lbs)	4 8	7 4	7 7	4 7	3 1	4 1	4 1	3 6	252
Coal and Coke	tons	455	133	630	76	71	76	92	84	1 4
Paper-making materials	cwt	171	135	165	406	390	309	221	1 4	10
Gums and Resins	cwt	150	87	163	187	197	196	184	190	2 7
Flax manufactures	(millions of yds)	5 2	3 1	1 3	1 6	1 7	1 2	1 2	2 8	226
Animals—living	No	14	12	5	6	9	9	10	12	94
Hides and Skins—raw	tons	1	1	1	2 2	2 0	1 9	1 6	2 8	1 3
Tallow and Stearine	cwt	57	40	64	117	147	149	205	223	819
Fish (excluding Canned Fish)	cwt	205	129	119	103	97	110	99	76	19
Matches	(millions of gross)	14 6	14 6	12 7	0 08	0 05	0 11	0 05	1 1	1 3
Oil-Cloth and Floor-Cloth	sq yds	1,444	1,121	634	856	1,044	1,060	1,065	1,238	819
Cordage and Rope	cwt	23	25	15103	18	22	30	26	19	19
Pitch and Tar		290	219		155	105	82	64	46	57

Table showing the value of principal Imports into British India

(In Lakhs of Rupees)

Names of Articles	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Cotton—Raw and Waste	1,03	45	2,01	3,56	5,28	6,75	5,85	12,13	8,51
,, Piecegoods	45,24	44,40	58,26	13,49	16,92	15,78	13,37	11,70	10,27
,, Other Manufactures	6,94	798	12,89	4,25	4,84	5,36	4 11	3,86	3,88
Machinery and Millwork	5,61	514	21,65	12,77	12,64	13,68	14,14	17,15	127
Metals and Ores-Iron and Steel	12,49	10,11	21,39	5,55	11,09	7,22	5,94	18,25	61
Copper	3,07	71	1,92	88	1,40	1,17	81	1,40	966
Other Metals	2,51	2,07	4,90	3,06	3,48	3,64	2,92	3,77	3
Ores	2	2	4	1	1	1	2	2	14,67
Oils—Mineral	3,72	4,02	8,03	5,83	6,07	5,92	5,93	17,45	95
Other Oils	23	22	25	92	90	1,33	1,32	1 25	1,94
Silk—Raw and Manufactures	395	3,93	5,74	3,59	3,37	2,78	2,41	2,86	46
Sugar (including Molasses)	12,93	14,56	19,71	2,71	2,11	1,91	24	19	585
Instruments, Apparatus and Appliances	1,36	1,66	3,92	4,02	4,73	5,18	5,19	6,13	217
Vehicles—Motor Cars	1,13*	75	3,12	1,77	2,57	2,51	2,43	2,98	5
, Cycles	11*	6	19	3	4	3	4	5	1,18
,, Omnibuses	6	6	70	66	1,21	1,20	1,31	2,07	328
Other Vehicles	45	75	2,25	2,31	2,76	3,18	2,79	2,82	2,57
Hardware	3,17	2,79	5,79	2,88	3,05	3,27	2,89	3,31	2,82
Wool and Woollens	3,25	2,00	2,62	2,55	3,86	2,79	2,87	4,15	2,48
Provisions and Oilman's Stores	2,29	2,28	3,20	2,72	2,89	3,12	3,20	2,60	3,23
Paper and Pasteboard	1,27	2,02	3,50	2,63	2,73	300	2,82	4,15	3,06
Chemicals	90	1,92	2,05	2,70	2,92	312	2,72	3,33	2,61
Dyes	1,33	1,06	2,91	2,46	3,08	334	3,01	3,94	2,11
Liquors	2,02	2,37	3,72	2,27	2 36	2,48	2,40	2,30	1,41
Rubber	23	97	1,84	1,88	2,06	2,07	2,11	1,89	2,21
Drugs and Medicines	94	1,21	1,70	1,93	1 92	2,11	2,07	2,36	2,63
Spices	1,64	2,06	2,37	1,56	1,55	1,62	1,88	1,83	1,25
Glass and Glassware	1,62	1,28	2,53	1,22	1,33	1,39	1,28	1,52	1,34
Fruits and Vegetables	1,08	1,10	1,76	1,00	1,30	1,31	1,42	1,58	1,05
Tobacco	71	1,32	2,23	72	62	62	81	85	89
Paints and Painter's Materials	71	99	1,44	92	97	1,02	97	1,02	48
Apparel	147	143	1,70	82	82	71	80	68	1,15
Precious Stones and Pearls, unset	93	47	1,19	75	50	48	98	1,24	25
Soap	62	96	1,71	78	63	34	27	24	38
Salt	79	1,82	1,74	50	52	57	60	56	62
Building and Engineering Materials	78	99	1,67	65	60	73	67	69	67
Stationery	58	64	1,07	66	69	76	75	81	79

*Figures for 1913-14

Table showing the value of principal Imports into British India—(*Contd.*)

(*In Lakhs of Rupees*)

Name of Articles	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Grain, Pulse and Flour	20	53	2,70	84	2,66	162	72	12,17	13,76
Haberdashery and Millinery	1,37	1,02	1,31	55	67	59	64	64	47
Toilet Requisites	20	25	42	57	64	66	67	68	66
Belting for Machinery	40	60	34	46	50	54	46	60	49
Manures	5	5	10	52	67	71	80	80	105
Boots and Shoes	57	41	41	48	35	29	21	22	15
Wood and Timber	79	1,02	1,09	54	57	53	49	2,98	287
Earthenware and Porcelain	52	46	78	43	44	46	47	43	39
Tea Chests	44	80	72	53	52	58	56	72	90
Toys and Rquisites for Games	40	30	52	53	51	48	44	44	37
Books, Printed, etc	43	46	53	49	52	53	57	62	59
Arms, Ammunition and Military Stores	34	33	60	43	24	49	66	1,28	50
Tea	22	47	55	25	17	25	18	18	16
Jewellery, also plate of gold and silver	24	9	17	5	21	11	16	6	8
Bobbins		37	66	22	29	31	22	43	38
Umbrellas and Fittings	42	29	38	27	27	29	19	28	15
Tallow and Stearine	16	16	28	20	22	28	36	38	32
Cutlery	22	15	30	26	28	29	29	31	26
Gums and Resins	24	20	33	27	27	26	23	27	30
Paper-making Materials	11	18	31	27	26	20	15	18	27
Furniture and Cabinetware	22	15	26	17	20	23	21	21	16
Flax, Raw and Manufactures	31	42	39	17	18	18	17	22	18
Animals, Living	44	52	25	28	25	20	16	35	31
Fish (excluding canned fish)	31	20	22	15	17	19	18	7	7
Jute and Jute Goods	19	36	22	10	9	11	9	6	6
Clocks, Watches and parts	23	18	24	16	16	18	40	52	42
Coal and Coke	81	30	2,25	14	12	13	51	17	8
Matches	88	1,53	1,77	1	1	1		20	24
All other articles	7,96	10,33	24,24	18,01	13,59	12,75	11,69	10,17	27,92
TOTAL	1,45,85	1 47,80	2,54,05	1,15 36	1,32,52	1,34,37	1,25,24	1,73,78	1,52,34

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Imports of Cotton, Twist and Yarn

(Quantity in Lakhs of Lbs) *(Value in Lakhs of Rupees)*

Names of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	370	247	257	99 5	97 8	97 7	76 7	66 3	46 8	335 2	95 8	100 5	97 5	78 9	77 6	49 5
Switzerland	11 3	3 4	6 0	0 1	0 1						0 1	0 1				
Italy	6 1	3 0	2 9	0 2						5 0	0 2					
China (including Hongkong)	0 4	2 3	7 3	102 3	127 7	134 2	49 9	5 3	10 4		64 8	92 3	90 2	37	3 0	64 7
Japan	4 6	74 2	167 9	116 8	113 4	213 1	158 3	146 4	211 7	6 2	95 7	115 9	179 2	137 4	168 2	176 9
Other Countries	25 5	10 7	5 7	1 6	1 1	8	0 4	2 0	95 7	30 8	0 9	0 9	1 6	0 3	1 9	1 6
TOTAL	417 9	340 6	445 8	320 6	340 17	445 7	285 2	220 0	364 6	377 2	378 8	257 5	309 8	371 1	250 7	292 9
Percentage of U K	88 5	72 5	57 5	31 0	23	21 9	26 6	31 4	12 4	88 8	34 8	36	32 4	26 3	30 9	40 7

Imports of Cotton Piecegoods

(Quantity in Millions of Yards)

Names of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Grey—																
United Kingdom	1,316	815 2	569	83 2	102 7	85 4	53 4	24 0	30 2	20,74	135	158 0	133 0	91 9	44 2	53 0
Japan	2 6	81 2	97	141 6	193 7	246 1	208 2	108 9	227 2		170	243 3	300 0	245 6	145 4	251 3
United States	10 4	7 4	8	0 2	0 3						0 5	0 8				
Other Countries	2 0	1 1	3	0 1	0 7	0 4	0 2	0 2	0 2	35	3	1 8	1 0	0 2	0 5	2 4
TOTAL	1,331	904 9	677	230 1	297 4	331 9	261 8	133 1	257 6	21 09	305 8	403 1	434 0	337 7	190 1	306 7
White—																
United Kingdom	642 9	510 0	363 5	184 2	236 6	199 0	164 0	128 7	102 3	10 87	369	451 6	389 9	344 8	282 2	211 9
Netherlands	7 6	3 8	4 4	1 5	2 0	1 5	1 9	1 1	1 1		4	5 6	4 0	4 5	3 5	3 1
Switzerland	2 6	0 8	1 7	0 6	4 6	3 5	4 7	6 1	4 0		2	16 8	14 7	19 9	27 2	17 7
Japan		3 3	2 6	75 2	40 3	58 2	48 1	64 9	69 0		96	64 5	84 0	74 6	98 1	91 5
Other Countries	1 1	1 0	1 4	0 4	1 9	1 0	1 2	1 4	2 7	33	2	8 0	5 4	5 3	7 0	6 1
TOTAL	654 2	518 9	373 6	361 9	285 2	263 3	219 6	202 2	179 1	11,20	473	546 6	498 0	449 1	418 0	330 3

Imports of Cotton Piecegoods—(*Contd.*)

(*Quantity in Millions of Yards*) (*Value in Lakhs of Rupees*)

Names of Countries	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Coloured, Printed or Dyed—																
United Kingdom	590 4	350 8	254 6	142 4	215 1	155 0	116 7	114 0	72 9	11,30	354 1	504 3	377 3	294 1	315 7	195 7
Germany				0 3	0 1	0 2	0 2	0 2	0 1			1 0	1 1	1 3	1 4	0 8
Netherlands	15 2	8 8	7 0	0 1	0 2	0 3					0 4	0 4	0 7			
Belgium	4 1	0 5	0 8	0 2	0 1							0 7				
Switzerland	2 7	1 7	1 5		3 0	2 2	2 8	3 2	1 6			10 9		9 1	12 4	5 2
Italy	10 3	9 1	4 2	0 4	1 8	0 6		0 7	0 6		1 4	5 9	2 0	2 6	3 1	2 1
Straits Settlements (including Labuan)	1 5	0 7	1 4	0 9	0 3						1 4	0 7				
Japan	0 5	13 1	14 0	123 9	139 8	191 5	160 6	132 4	127 7		165 4	211 7	251 4	237 6	215 8	170 7
Other Countries	6 9	1 6	1 9	0 5	0 5	0 7	2 1	5 2	7 6	1,65	2 7	6 0	3 3	5 0	13 0	15 9
TOTAL	631 6	386 3	285 4	268 7	360 9	351 3	282 5	255 5	210 5	12,95	834 1	525 4	742 7	645 8	549 9	390 4
Fents—																
United Kingdom	14 4	26 1	11 9	11 1			1 9	2 5	1 3		16 6			12 1	16 0	9 7
United States of America	0 3	5 3	4 3	15 6			0 6	1 6	1 6		15 9			2 9	9 6	9 4
Japan				8 2			11 1	2 0	1 9		11 9			82 6	16 8	15 3
Other Countries	0 2	0 5	0 1	0 2				0 1	0 1		0 5			0 1	0 8	0 6
TOTAL	14 9	31 9	16 3	34 92			13 6	6 2	4 9		44 9			97 7	43 2	35 0

Imports of Sugar

Names of Countries	(Quantity in Hundreds of Tons) Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	(Value in Lakhs of Rupees) Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	7	4	7	36,7	16,8	23,4	4	3	52 0	52 4	38 1	15 8	20 9	1 1	10 1	6 0
Ceylon																
Straits Settlements	1,7	28,5	7,5			2	1			3 7	0 1	2	0 4	0 2		
Java	453,0	367,2	382,8	194,4	175,2	150,4	15,0	103	2,45	923 3	197 9	163 9	140 2	13 1	12 3	29 0
China (Incl Hongkong)	4,4	5,7	6,5	3,4	3,8	3,9	50	21	26 0	10 3	4 9	5 6	4 6	4 3	3 0	4 0
Russia																
Poland																
Germany					1					3 8						
Hungary			113							85 1						
Czechoslovakia																
Other Countries	174,2	70,2	35,2	26,9	26,2	24,3	27	17	34 0	209 4	19 3	25 2	24 6	5 2	2 2	7 0
TOTAL	634,C	472,0	444,0	261,4	222,7	201,2	23,1	1,44	3,57	12,51 0	270 3	210 7	190	23 9	18 6	66 4

Imports of Machinery and Millwork.

(Value in Lakhs of Rupees)

	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	497 7	420 4	17,60 3	8,73 5	915 3	925 5	926 3	1090 1	11,21 0
United States of America	24 6	66 8	3,10 8	80 7	114 8	117 1	125 4	135 8	211 4
Japan	0 6	13 5	6 0	7 8	11 2	17 6	18 3	49 2	30 4
Italy ...	1 4	2 4	4 3						
Germany	30 3	2 5	38 9	131 8	126 6	164 1	202 8	256 6	307 0
Belgium	1 8			42 6	16 7	27 5	31 1	26 2	39 1
Other Countries	4 7	8 3	44 5	140 5	79 1	115 7	110 0	157 7	195 9
TOTAL	561 1	5,13 9	21,64 8	12,76 9	1263 7	1367 7	14,13 9	1715 6	19,04 8
Share of United Kingdom	88 7%	81 8%	81 3%	68 4%	72 4	67 6	65 5	63 5	58 8

Imports of some kinds of Iron & Steel Manufactures

(*Quantity in Thousands of Tons*) (*Value in Lakhs of Rupees*)

	Qty 1932-33	Qty 1933-34	Qty 1934-35	Qty 1935-36	Qty 1936-37	Qty 1937-38	Qty 1938-39	Value 1932-33	Value 1933-34	Value 1934-35	Value 1935-36	Value 1936-37	Value 1937-38	Value 1938-39
Iron—														
Ore	0 7	2 0	1 5	1 7	1 6	1 9	2 8	0 6	1 5	1 1	1 3	1 3	2 1	3 4
Manufactures														
Angle, Tee, Bolt and Rod Protected	—	—	2 5	—	—		—	—	—	2 2	—	—	0 3	0 3
" not Protected	2 9	1 8	0 8	—	—		—	2 8	1 7	0 6	—	—		—
Bars and Channels Protected	0 2	0 2	0 5	1 0	0 7	1 1	0 8	0 2	0 2	1 2	2 3	1 6	2 7	2 4
" not Protected	1 0	1 1	0 8	—	—		—	2 5	2 7	2 0	—	—		—
Other Manufactures	0 1	—	0 1	0 1	0 1			0 4	0 3	0 3	0 2	0 2	0 2	—
Total of Iron excluding ore Protected	0 2	0 2	3 1	1 1	0 7	1 3	0 9	0 2	0 2	3 3	2 4	1 6	3 1	2 8
" " not Protected	4 7	5 0	3 2	1 8	1 7	1 9	2 8	6 3	6 2	4 0	1 5	1 5	2 2	3 4
TOTAL	4 9	5 2	6 3	2 9	2 4	3 2	3 7	6 5	6 4	7 4	3 9	3 16	5 3	5 2
Steel—														
Angle, Tee and Spring Protected	11 7	11 4	13 9	19 6	15 5	15 1	10 2	10 1	10 9	14 2	19 9	16 6	22 8	16 8
" not Protected	0 6	0 1	—	—	—		—	0 8	0 2	—	—	—		—
Bars (Other than Cast Steel)	69 2	66 1	2 6	54 5	27 5	51 2	17 0	56 8	63 0	68 8	61 7	36 5	96 7	43 4
Other Kinds	2 3	2 7	12 4	18 1	35 5	27 6	17 7	7 7	9 2	14 1	15 7	28 1	34 4	18 2
TOTAL OF STEEL Protected	33 6	31 2	44 3	74 8	44 1	67 0	27 5	31 1	32 4	51 6	86 1	57 6	122 7	62 2
" not Protected	50 2	49 1	44 7	17 4	33 8	26 9	17 4	44 4	50 9	45 5	11 2	23 1	31 2	16 4
TOTAL	83 8	80 3	89 0	92 2	77 9	93 9	44 9	75 5	83 3	97 2	97 3	80 7	153 9	78 6
Iron or Steel—														
Beams, Channels, Pillars { Protected fabricated }	1 4	2 3	1 4	1 7	2 5	2 1	1 1	3 0	4 9	2 9	4 6	6 3	5 3	3 6
Girders, Bridge Works { Protected others }	14 3	16 9	20 9	27 0	22 4	24 3	17 6	12 3	16 1	20 6	26 6	23 2	35 4	27 0
TOTAL	15 7	19 2	22 3	28 7	24 9	26 4	18 7	21'0	23 5	31 2	29 6		40 7	30 6
Bolts and Nuts Protected	6 5	7 6	10 2	12 6	9 4	10 6	8 8	21 1	28 6	32 0	23 5		35 1	31 7
Fencing Materials (including Fencing Wire)	4 5	5 7	7 3	8 8	7 8	4 3	4 1	14 9	18 1	18 1	15 2		12 3	12 3
Hoops and Strips	24 3	28 0	34 5	46 9	43 2	48 5	24 4	35 8	45 3	57 1	53		85 7	48 6
Nails, Rivets & Washers (other than Wire Nails) Protected	2 6	4 8	5 6	8 0	5 9	8 0	6 5	8 6	10 6	14 9	119		18 7	15 5
" not Proteted	7 9	5 8	6 6	7 9	6 4	7 3	4 6	19 7	21 5	25 1	21 3		26 9	18 8
TOTAL	10 5	10 6	12 2	15 9	12 3	15 3	11 2	28 3	32 1	40 0	32 5		45 6	34 3
Pipes and fitting Casts	2 0	3 4	1 6	1 4	1 4	1 4	2 5	7 6	6 9	6 8	6 6		7 0	9 0
Rails, Chairs and Fish-plates	1 7	3 0	5 3	7 9	10 0	7 5	11 5	5 0	7 5	7 8	10 1		11 1	14 7
Screws	2 0	1 4	1 7	2 3	1 9	2 9	2 6	6 2	7 5	10 4	8 4		15 9	12 9
Sheets and Plates Galvanised Protected	72 4	60 1	58 5	73 2	64 6	42 8	25 7	112 2	110 3	129 7	109 9		97 4	59 1
" not Protected	0 3	0 7	0 3	—	—		—	1 2	0 6	—	—			—
TOTAL	72 7	60 8	58 8	73 2	64 6	42 8	25 7	113 4	110 9	129 7	109 9		97 4	59 1

Imports of some kinds of Iron & Steel Manufactures

		(Quantity in Thousands of Tons)							(Value in Lakhs of Rupees)						
		1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Tinned	Protected	7 0	7 2	5 6	6 5	1 4	7 5	14 0	19 5	21 4	17 0	20 4	5 7	28 9	48 9
Not Galvanised or Tinned		22 1	23 8	31 4	37 4	26 5	23 8	26 0	27 1	31 0	42 6	48 5	36 0	46 4	51 6
Sleepers and Keys of Steel	Protected	3 3	2 8	4 2	4 5	4 6	2 4	0 8	4 2	4 2	6 3	7 0	6 5	4 0	2 0
	not Protected	—	—	—	—	—	0 1	—	0 1	—	0 2	—	—	0 1	
	Total	3 4	2 9	4 3	4 5	4 6	2 5	0 8	4 3	4 2	6 5	7 0	6 5	4 1	2 0
Tubes, Pipes and Fittings Wrought	Protected	—	0 6	0 2	0 1	1 4		—		1 8	0 9	0 2	2 9		
	not Protected	23 5	28 5	34 7	62 0	38 9	41 4	34 3	61 7	69 8	87 9	111 6	76 7	107 0	103 7
	Total	23 5	29 0	34 9	62 1	40 3	41 4	34 3	61 7	71 6	88 8	111 8	79 6	107 0	103 7
Wire Nails		13 2	11 9	15 6	15 3	8 0	6 2	4 9	23 3	20 0	24 1	21 9	12 5	15 2	10 9
Wire Rope		2 0	2 3	3 2	3 0	3 4	4 3	3 2	10 7	11 5	15 5	14 9	17 8	23 7	20 7
Wire other than Fencing Wire	Protected / not Protected	9 6	8 4	9 5	9 6	8 6	8 4	9 2	17 1	14 6	15 9	15 7	14 1	21 8	23 7
Other Manufactures	Protected	9 0	8 8	7 3	8 0	6 3	8 6	7 3	13 9	16 2	12 9	13 8	11 6	21 3	26 2
	not Protected	5 4	4 4	7 0	7 6	8 1	9 8	7 6	17 8	15 1	26 7	29 8	32 8	41 8	34 4
Total of Iron or Steel	Protected	161 9	155 6	174 9	211 6	172 7	153 4	133 4	267 1	272 3	301 0	347 6	279 4	347 1	319 9
	not Protected	75 3	87 9	99 8	142 7	109 8	121 2	90 2	181 1	191 3	232 5	273 5	230 8	319 3	263 0
	Total	237 2	243 6	274 7	354 3	282 5	274 6	223 6	448 2	463 6	533 5	621 1	510 2	666 4	582 9

Imports of Electrical Instruments, Apparatus and Appliances

(Value in Lakhs of Rupees)

Name of Countries	1932-33	1933-34	1934-35	1935 36	1936-37	1937-38	1938-39
United Kingdom	122	130 5	162 4	175 0	170 4	187 0	194 6
Germany	34	25 2	32 0	37 8	42 7	54 5	54 7
Netherlands	11	11 5	13 0	13 1	5 8	8 9	6 7
Belgium	3	3 3	2 1	3 3	5 3	9 6	9 4
Italy	6	6 3	7 6	6 2	3 5	7 7	6 7
Japan	17	15 2	16 8	17 8	17 2	20 9	9 8
United States of America	27	23 9	30 6	38 3	36 1	34 4	29 3
Other Countries	17	15 0	16 8	17 3	22 6	23 7	26 3
TOTAL	2,34	2,30 9	281 3	308 3	303 6	346 7	331 6

Imports of Kerosene Oil

(Value in Lakhs of Rupees)

Name of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Russia	1,64	1,50 2	1,47 6	144 4	117 6	69 2	
Georgia							
Roumania		28 1	7 0	2 9	1 8	0 3	
Azerbaijan							
Sumatra		10 9	41 5	16 1	53 2	89 0	11 3
Persia	39	2	36 1	45 7	19 2	41 1	99 8
Java		18 4	3 0				
United States of America	18	13	6	3 0	1 6	7 4	3 5
Burma						533 3	422 6
Other Countries	33	3 7	19 9	4 8	2 5	21 8	108 5
TOTAL	2,54	2,26 8	2,60 6	216 9	195 9	762 1	645 7

Imports of Cement

Name of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	17	14 2	18 4	18 6	15 4	10 6	8 8
Germany							
Japan	8	5 6	3 8	2 1	1 8	0 9	
Other Countries	4	2 4	1 6	1 3	1 6	1 4	1 2
TOTAL	29	22 2	23 8	22 0	18 8	12 9	10 0

Imports of Motor Vehicles

(Quantity in Numbers) *(Value in Lakhs of Rupees)*

Name of Countries	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	War Average	Post-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Motor Cars (including Taxi-Cabs)—															
United Kingdom	5,348	6,311	6,744	6,337	6,419	5,117	77	24	80	106	123	127	122	128	102
United States of America	2,227	5,564	3,851	3,870	4,880	3,170	21	46	166	36	93	74	76	95	64
Germany	106	120	335	813	2,097	1,253				2	2	7	16	36	22
France	62	26	13					2	7	1	1				
Italy	221	267	210	382	281	232		2	9	5	4	3	5	4	5
Canada	1,715	2,057	2,328	1,290	1,612	972			35	26	33	38	21	28	18
Other Countries	80	89	109	247	408	314	10	1	15	1	1	2	3	7	6
TOTAL	9,759	14,434	13,590	12,939	15,697	11,058	1,13	75	3,12	177	257	251	243	298	217
Motor Cycles (including Scooters)—															
United Kingdom	612	675	554	491	484	349	10 3	5 1	13 5	3	3 4	2 8	2 4	2 6	1 8
United States of America	12	17								0 1	0 1				
Othe Countries	76	102	180	430	787	1,022	0 40	1 3	5 9	0 2	0 3	0 5	1 1	2 1	2 7
TOTAL	700	794	734	921	1,271	1,371	10 7	6 4	19 4	3 3	3 8	3 3	3 5	4 7	4 5
Motor Buses—															
United Kingdom	528	1,171	982	1,217	2,337	607	3 6	2 7	22 8	12 4	25 3	30 9	33 1	46 9	18 8
United States of America	3,692	6,559	5,051	6,012	10,035	5,095	0 7	2 7	29 7	56 4	67 5	54 5	67 9	122 5	68 0
Canada	1,243	2,058	2,335	1,719	2,197	1 958			6 2	16 4	25 6	30 8	23 2	26 9	2 77
Other Countries	33	185	102	2,12	508	148	1 4	1 0	10 9	0 6	2 3	3 7	6 9	10 5	3 9
TOTAL	5 496	9,973	8,470	9,160	15,077	7,808	5 7	6 4	69 6	65 8	119 6	119 9	131 1	206 8	118 4

Imports of Rubber Manufactures

Name of Countries	(Quantity in Thousands) 1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	(Value in Lakhs of Rupees) 1931 32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Pneumatic Motor Covers																
United Kingdom	87	1,08	197	229	216	228	179	160	30 8	44 8	70 8	87 4	98 3	105 3	87 1	66 8
Germany	18	16	10	15	14	22	21	28	7 9	8 1	4 0	6 7	6 8	10 1	10 7	11 4
France	23	15	7	2	2				7 5	6 1	3 0	0 8	1 1	0 1	0 1	
Italy	30	32	10	4					12 5	13 8	3 8	1 3	0 2			
Canada	24	12	22	12	2	1			7 6	4 8	6 8	4 1	0 6	0 5		
United States of America	1,59	87	37	33	20	16	30	10	66 1	40 4	16 4	14 5	9 9	7 5	14 5	3 7
Other Countries	7	21	28	23	27	23	27	20	2 4	7 7	8 7	9 7	8 8	8 6	10 5	10 0
TOTAL	3,48	2,92	3,11	3,27	2,81	2,90	257	218	134 8	125 7	113 3	124 4	126 2	132 1	122 9	91 9
	(In Hundreds of Numbers)								(In Thousands of Rupees)							
Pneumatic Motor Cycle covers																
United Kingdom	46	32	38	38	29	27	16	10	61 4	51 4	63	45	38	35	19	10
United States of America	7	5	2	2					8 8	7 6	2	2				
Other Countries	36	17	11	4	3	2	3	4	36 0	21 8	13	4	3	2	3	4
TOTAL	89	54	51	44	32	29	19	14	106 2	80 8	78	51	41	37	22	14
	(In Thousands of Numbers)								(In Lakhs of Rupees)							
Pneumatic cycle covers																
United Kingdom	9,56	7,74	11,17	1,325	1,063	301	79		14 6	11 8	14 8	17 1	16 0	18 0	4 6	1 0
Germany	2,41	45	38	71					3 3	0 7	4	0 9				
France	1,72	86	97	9	761	679	592		2 9	1 4	1 2	0 1	7 2	5 2	7 0	6 1
Other Countries	2,65	4,64	5,20	180					3 9	4 9	5	1 6				
TOTAL	16,34	13,69	17,72	15,85	1,824	980	671		24 7	18 8	21 4	19 7	23 2	23 2	11 6	7 1
	(In Hundreds of Numbers)								(In Thousands of Rupees)							
Solid Rubber Tyres for Motor Vehicles																
United Kingdom	18	18	24	34	22	16	13	6	169 4	183 4	237	242	148	140	137	34
Germany	7	2 9	5	5	4	3	4	3	85 5	33 2	57	56	57	29	54	31
United States of America	8	7 8	2	4	5	3	2	1	98 2	91 2	36	42	58	42	30	14
Other Countries	2	0 6	1	5	5	1	2	2	22 9	6 4	6	41	23	3	10	13
TOTAL	35	29 3	32	48	36	23	21	11	376 0	314 2	336	381	286	220	231	91

Imports of Metals and Metal Manufactures

(Value in Lakhs of Rupees)

Copper (excluding Ore)

Names of Countries	Post War Average 1909-20 to 23-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	1,14	40	61	34	22	47	13
Japan	8	9	19	14	16	7	1
France	4		1				
Germany	20	32	30	12	25	37	13
Belgium	5	1	1	1	1		
Other Countries	44	14	28	25	17	49	34
TOTAL	1,92	87	140	116	81	140	61

Hardware (excluding Cutlery and Electroplated Ware)

	Post War Average 1919-20 to 1923-24	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	3,12	98	98	104	99	113	98
Sweden	13	16	17	19	15	18	16
Germany	59	86	95	108	94	113	75
Austria	5	4	4	3	3	4	2
Japan	46	35	32	36	34	30	21
United States of America	1,22	23	30	31	26	26	22
Other Countries	22	27	29	26	18	27	23
TOTAL	5,79	2,88	3,05	327	289	3,31	257

Cutlery

	Pre-War Average 1909-10 to 1913-14	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	10 5	7 8	8 4	8 7	9 2	9 6	9 5
Germany	7 9	13 7	14 7	16 3	15 9	17 2	14 3
Other Countries	3 3	4 0	4 9	4 7	3 5	3 8	1 8
TOTAL	21 7	25 5	28 0	28 7	28-6	30 6	25 6

Imports of Salt

	Pre-War Average 1909-10 to 1913-14	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	27	1	1	1			4 7
Germany	17	8	10	14	13	6 6	
Spain	24						18 5
Aden and Dependencies	53	37	38	40	45	48 2	8 5
Egypt	35	1	2		1		
Italian East Africa	15						
Other Countries	4	3	1	1	1	0 9	61
TOTAL	1,75	50	52	56	60	55 7	37 8

Imports of Boots and Shoes

(*Quantity in Thousands of Pairs*) — (*Value in Lakhs of Rupees*)

Name of Countries	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	129	145	142	120	98	74	51.0	5.8	6.1	6.2	5.3	4.3	3.0
Germany	46	7						1	0.3				
Austria		2					2.5	0.2	0.2				
Czechoslovakia	377	284	351	336	626	500		5.9	7.1	8.0	8.2	14.9	10.4
Japan	6,620	3,620	2,377	1,206	371	192	0.2	32.4	19.8	13.7	7.1	2.3	1.3
United States of America	1	2					0.5						
Canada	2	1											
Other Countries	139	196	36	31	88	69	2.5	2.3	1.3	1.0	0.6	0.9	0.8
TOTAL	7,313	4,256	2,906	1,693	1,183	835	56.7	47.5	34.8	28.9	21.2	22.4	15.5
Total of U K and Canada	131	146	142	120				5.8	6.1	6.2	5.3	4.3	

Imports of Cotton Raw

(*Quantity in Hundreds of Tons*) — (*In Lakhs of Rupees*)

	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom		14					58.7		12.0	0.2	0.4		
Persia	9	7						4.3	4.2	0.3			
Egypt	61.0	169	155	185	284	190	4.5	53.3	154.8	140.9	184.0	283.4	187.2
Kenya Colony	242.0	327	366	359	477	561	0.1	202.3	276.6	312.8	306.2	423.7	473.5
Tanganyika Territory	26.0	24	47	41	75	35		23.0	22.1	39.9	34.9	66.8	31.0
Anglo-Egyptian Sudan	9.0	34	50	41	188	124		7.2	29.4	48.4	41.8	195.1	18.0
United States of America	81.0	16	105	9	292	46	27.7	64.0	16.0	91.6	8.2	221.3	37.5
Other Countries	2.0	15	43	14	29	3	11.2	1.6	19.5	30.4	9.2	23.0	1.6
TOTAL	429.9	606	766	650	1345	964	102.2	355.7	528.4	674.5	584.7	1213.3	850.9

Imports of Silk—Raw and Manufactured.

(Value in Lakhs of Rupees) *(Quantity in Thousands of lbs)*

Names of Countries	Pre War Average	War Average	Post-War Average	1933 34	1934-35	1935-36	1936-37	1937-38	1938 39	War Average	1934-95	1935-36	1935-36	1936-37	1937-38	1938-39
Raw Silk—																
China (including Hong-kong)	1,07 1	99 8		64	36	13 8	26 4	31 1	32 3		2,101	1,299	191	815	929	1,219
Japan	1 1			7	21	42 4	36 3	57 2	11 7		220	897	1,625	1,074	1405	274
Other Countries	9 1	10 2	9 1	1		1 5	1 7	6'3	18 2		58	21	75	85	201	755
TOTAL	1,17 3	1,10 0	1,49 9	72	57	57 7	64 4	94 7	62 2	2 567	2,379	2,217	2,191	1,974	2,535	2,248
Silk Yarn, etc —																
United Kingdom	1 3	4 0	1 9	1 3	9 5	6 6	0 9	0 5			268	587 0	389	54	10	1
Switzerland	0 6	0 3	0 3									3 5				
Italy	14 2	3 6	14 6	5 1	7 6	7 1	5 6	6 6	4 8		249	347 7	284	239	289	132
China (including Hong-kong)	2 8	5 1	9 9	14 6	12 8	12 4	10 4	5-5	4 2		615	192 0	480	461	201	287
Japan	17 4	29 1	30 3	21 8	47 6	56 5	43 9	47 8	22 0		814	1834 7	2,377	1,657	1791	588
Other Countries	1 9	0 1	1 3	9	0 6	1 3	0 8	0 9	1 1		82	28 1	99	33	35	53
TOTAL	41 2	42 2	58 3	46 7	78 2	84 0	60 7	61 2	32 2	1,011	2,028	3293 0	3,628	2,444	2337	1,170
											(In Thousand Yards)					
Silk Piece-goods—																
United Kingdom	3 9	4 1	5 2	0 7	0 6	0 2					48	36 7				
France	8 9	3 7	2 6													
China (including Hong-kong)	53 5	73 9	135 0	32 1	21 1	15 9	12 00	11 8	16 9		6,656	5 090 5	3,843 0	3260 2	3005 5	3,752 9
Japan	113 6	1,17 9	177 6	147 1	100 9	71 8	62 9	73 1	45 0		34,269	27,736 5	21,717 8	16171 6	18718 4	11 800 9
Other Countries	2 4	1 9	4 2	2	2 6	5 6	6 3	5 0	5 5		150	560 2	1,901 2	2130 9	1147 5	1,319 3
TOTAL	1,82 3	2,01 5	3,24 6	182 2	125 2	90 4	80 6	89 9	67 4	19,724 2	41,123	33,439 7	27,430 1	21562 7	22871 4	16,873 1

Imports of Wool and Woollens

(Value in Lakhs of Rupees)

Wool Raw—	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	18	14	18	13	21	27	25
Persia	3	2	1	1			
Australia	18	18	21	27	35	50	36
Other Countries	3		1	3	4	8	1
TOTAL	42	34	41	44	60	85	62
Carpets and Floor Rugs—							
United Kingdom	1 8	1 5	2 4	3 1	3 0	2 0	1 6
Persia	0 8	0 2	0 1	0 1	1 1	2 0	0 8
Other Countries	1 5	0 6	0 9	0 7			
TOTAL	4 1	2 3	3 4	3 9	4 1	4-0	2 4
Piecegoods—							
United Kingdom	52 5	57 4	46 5	43 6	41 5	40 9	22 9
Germany	8 8	6 5	7 6	3 7	5 6	5 4	2 1
Netherlands	1 6	0 9	0 7				
Belgium	5 9	4 6	0 5	0 2	0 3		
France	34 3	17 4	4 2	0 1			
Italy	42 1	22 6	3 5	1 5	1 3	7 9	4 2
Japan	7 8	15 5	73 1	30 1	34 4	56 7	14 6
Other Countries	8 2	5 4	3 7	1 8	1 4	1 6	1 3
TOTAL	1,61 2	1,30 3	139 8	81 1	84 3	112 5	45 1

Woollen Shawls—	Pre-War Average	1932-33	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom		0 4					
Germany		7 9	6 7	5 8	7 8	11 6	3 9
Other Countries		2 6	5 3	5 7	5 1	6 7	10 0
TOTAL	41 5	10 8	12 0	11 5	12 9	18 3	13 9
Hosiery	12 0	6 9	12 3	17 5	14 5	14 0	13 5
Other sorts of Manufactures	32 1	71 5	178 0	120 5	111 1	181 1	145 0
TOTAL OF WOOL & WOOLLENS	3,24 6	2,96 5	386 5	278 5	286 9	414 9	2,81 9

Imports of Artificial Silk Manufactures

(Value in Lakhs of Rupees)

	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Piecegoods of Cotton and Artificial Silk—								
United Kingdom	9 6	17 1	14 1					
Germany	4 9	7 8	2 1					
Switzerland	7 6	4 4	11 1					
Italy	16 0	21 8	16 3					
Austria	1 6	3 0	3 7					
Japan	208 6	252 4	124 2					
Other Countries	3 5	3 7	2 4					
TOTAL	251 8	310 2	173 9					
Other Artificial Silk Manufactures—								
United Kingdom	13 3	15 1	19 8	24 3	14 5	10 6	14 7	
Germany	4 0	3 9		1 7	1 4	2 4	3 5	
Netherlands	10 1	7 1						
France	7 3	3 3	4 2	1 5	0 6			
Switzerland	2 8	0 7						
Italy	41 3	47 8	37 6	54 3			20 4	
United States of America	1 8	2 2						
Japan	6 2	16 0	134 6	267 9	260 7	350 9	434 5	
Other Countries	5 7	9 6	78 0	9 6	38 6	11 7	14 3	
TOTAL	92 5	105 7	274 2	359 3	315 8	375 6	487 4	

Imports of Tea (Black and Green)

(Value in Thousands of Rupees)

Names of Countries	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Ceylon	7,10	11,83	5,02	3,49	3,79	2,61	2,86	2,27
Straits Settlements		53	18	10	9			
Java	81	1,00	1					
China (including Hongkong)	10,17	18,60	16,29	8,83	15,96	8,54	8,62	2,43
Other Countries	3,68	2,67	3,42	4,70	5,13	7,01	6,98	11,03
TOTAL	22,29	34,63	25,18	17,12	24,97	19,18	18,49	15,73

Imports of Food, Drink and Tobacco

Names of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
	(Quantity in Thousands of Tons)							*(Value in Thousands of Rupees)*							
Fruits and Vegetables, Dried, Salted, etc —															
France	0 3	0 2	0 3	0 5	0 2			2,49	1,60	1,17	1,40				
Italy	1 7	1 6	1 5	1 5	1 7	1 3	1 7	6,83	6,94	8,63	6,84	7,83	13,05	7,92	14,12
Maskat Territory and Trucial Oman	7 1	7 9	9 0	9 0	8 0	9 6	9 6	16,54	13,00	10,96	11,16	10,57	9,23	12,18	11,22
Iraq	37 4	26 0	47 1	50 7	51 7	54 1	52 7	40 49	32,76	20,50	36,59	35,58	39,90	38,56	31 05
Persia	3 2	3 3	4 1	4 9	2 4	2 4	2 0	16,83	9,50	6,56	8,09	9,18	3,59	3,56	4,13
Portugese East Africa		12 1	12 7	14 5	15 7	14 0	12 2					18,71	20,42	18,34	15,72
Other Countries	10 9	6 3	9 6	8 6	10 0	11 4	3 9	21,66	20,59	24,06	41,72	20,42	27,82	2 895	11,35
TOTAL	60 6	57 4	84 3	89 7	89 7	92 8	82 1	1,07,84	84,39	71,88	97,71	102,29	1,15,0	109,71	87,66
	(Quantity in Thousands of Gallons.)							*(Value in Lakhs of Rupees)*							
Ale, Beer and Porter—															
United Kingdom	2,447	2,184	2,250	2,209	2,131	2 006	1,965	45 6	19 7	45 2	45 4	47 1	45 8	43 0	41 7
Germany	508	376	365	450	437	6423	403		14 3	10 6	9 8	11 7	11 3	11 5	11 4
Netherlands	282	308	411	492	544	18	624		6 0	6 5	8 7	10 6	11,5	12 5	12 2
Japan	416	526	488	599	618	540	549		1 4	1 5	5 2	6 1	6 9	6 0	6 4
Other Countries	65	62	79	117	112	95	83	13 83	1 6	1 5	1 9	2 5	2 4	2 2	1 8
TOTAL	3,718	3,456	3,593	3,867	3,842	3,682	3,624	59 43	76 0	68 8	71 0	78 0	77 9	75 2	73 5
	(Quantity in Thousands of Gallons)							*(Value in Lakhs of Rupees)*							
Spirit—															
United Kingdom	476	493	503	522	500	472	432	69	84	89 4	92 2	96 6	93 1	88 4	81 2
Germany	11	12	14	14	12	14	14		2	3 4	3 9	3 8	3 4	3 9	3 4
France	122	128	134	144	136	132	112		21	22 2	24 2	25 3	24 6	23 5	19 1
Java	857	521	411	299	331	379	345	3	8	7 0	5 5	3 3	2 7	3 2	2 8
United States of America	48	45	46	53	52	51	47	5	16	14 0	13 3	15 7	14 5	14 9	13 6
Other Countries	11	14	21	19	21	17	16	38	2	2 6	4 6	3 3	3 2	2 8	2 1
TOTAL	1,775	1,213	1,129	1,051	1052	1,065	965	1,15	1,33	138 6	143 7	148 0	141 5	136 7	122 8
Wines	166	177	178	188	158	154	118	28	16	19 2	20 3	20 9	19 5	17 8	13 8
TOTAL OF LIQUORS	5,415	4,856	4,912	5,121	5,069	4,917	4721	2,12,43	2,25 0	2,26 6	235 6	247	239 6	230 3	210 8

Imports of Food, Drink and Tobacco—(*Contd.*)

(In Lakhs of Rupees)

Names of Countries	Pre War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Provisions, etc —							
United Kingdom	1,34	1,51	161	178	179	150	137
Netherlands	9	24	25	25	29	19	19
Straits Settlements (incl Labuan)	24	20	25	27	28	24	26
China (incl Hongkong)	4	9	11	10	11		
United States of America	4	14	15	18	17	19	17
Australia	3	16	12	12	14	13	13
Other Countries	51	38	40	42	42	35	37
TOTAL	2,29	2,72	289	312	320	260	248

(In Thousands of Rupees)

Names of Countries	Pre War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Tobacco—							
Unmanufactured		47,27	33,56	27,85	44,77	44,78	58,01
Cigars		74	61	70	61	197	1,93
Cigarettes							
United Kingdom		16,62	20,64	26,63	30,15	32,60	38,17
China (incl Hongkong)		34	32				
Egypt	4,69	32	28				
United States of America		52	64	75			
Other Countries		1,26	33	72	1,45	1,77	2,10
Total of Cigarettes	52,74	19,06	22,21	28,10	31,60	34,37	40,27
Tobacco for Pipes & Cigarettes		3,00	3,91	3,20	2,36	2,81	3,52
Other Sorts	18,33	2,08	1,53	1,71	1,48	1,55	82
TOTAL	71,07	72,15	61,82	61,56	80,83	85,48	104,55

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1929-30 to 1938-39.

(In Lakhs of Rupees)

Names of Countries	War Average (1914-19) Exports	Imports	Balance of trade	Post-War Average (1919-24) Exports	Imports	Balance of trade	1929-30 Exports	Imports	Balance of trade	1930-31 Exports	Imports	Balance of trade
British Empire—												
United Kingdom	69,62	83,56	−13,94	73,04	1,46,43	−73,39	69,59	1,03,10	−33,51	54,23	61,29	−7,06
Ceylon	9,63	1,66	+7,97	12,32	1,71	+10,61	13,22	1,80	+11,42	11,38	1,43	+9,95
Straits Settlements	6,23	4,37	+1,86	8,20	4,85	+3,35	8,02	6,17	−1,85	6,31	3,97	+2,34
Australia	5,03	1,11	+3,92	4,99	3,19	+1,80	5,80	5,54	+26	4,49	2,42	+2,07
Hongkong	4,48	1,30	+3,18	6,93	1,86	+5,07	2,04	74	+2,30	1,67	87	+80
Canada	1,79	4	+1,75	1,83	69	+1,14	2,41	1,91	+50	1,72	1,33	+39
Aden and Dependencies	2,15	77	+1,38	2,79	80	+1,99	1,43	57	+86	1,31	33	+98
Kenya Colony, Zanzibar and Pemba	1,32	1,15	+17	2,14	1,99	+15	1,72	3,44	−1,72	1,16	3,36	−2,20
Other Countries of the British Empire	15,53	2,68	+12,85	12,88	4,02	+8,86	9,38	1 19	+8,19	7,18	1,02	+6,16
Total British Empire	1,15,78	96,64	+19,14	1,25,12	1,65,54	−40,42	1,14,61	1,24,46	−9,85	89,45	76,02	+13,43
Percentage of Total Trade	51 6	65 4		41 4	65 2		36 0	51 7		39 6	46 1	
Foreign Countries—												
United States of America	26,75	10,29	+16,46	36,26	21 64	+14,62	37,03	17,66	+19,37	21,14	15,12	+6,02
Japan	25,20	15,41	+9,79	40,31	17,48	+22,83	32 56	23,59	+8,97	23,87	14,51	+9,33
China	4,56	1,93	−2,63	10,98	3,14	+7,84	13,06	4,10	+8,96	13,27	3,33	+9,94
Java and Borneo	2,55	11,56	+9,01	3,18	17,18	—14,09	4,27	13,67	−9,40	2,63	10,34	−7,71
Argentine Republic	2,61		+2,61	4,21		+4,21	7,10	8	+7,02	3,63		+3,63
France	10,02	1,85	+8,17	14,37	2,37	+12,00	16,94	4,57	+12,37	11,17	2,89	+8,28
Italy	8,77	1,73	+7,04	9,63	2,47	+7,16	11,47	6,73	+4,74	7,93	4,51	+3,42
Spain	1,60	36	+1,24	2,80	30	+2,50	3,61	30	+3,31	2,37	30	+2,07
Russia	2,74	10	+2,64		12	—12	40	46	−6	53	1,04	−51
Netherlands	40	86	−46	3,16	2,18	+98	8,90	4,23	+4,67	6,67	3,22	+3,45
Belgium	1,10	38	+72	11,25	4,64	+6,61	12,21	6,79	+5,42	7,57	4,67	+2,90
Germany	2,04	1,04	+1,00	14,86	7,16	+7,70	26,49	15,79	+10,70	14,26	12,38	+1,88
Austria	94	27	+67	73	42	+31	5	1,23	−1,18		32	−82
Other Countries	19,05	6,28	+1,277	25,12	9,41	+1,571	29,23	17,14	+12,09	21,15	15,67	+5,48
Total Foreign Countries	1,08,33	51,16	+57,17	1,76,86	88,51	+88,35	2,03,32	1,16,34	+86,98	1,36,19	88,80	+47,39

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1929-30 to 1938-39—(*contd.*)

(*In Lakhs of Rupees.*)

Names of Countries	1931-32 Exports	1931-32 Imports	1931-32 Balance of trade	1932-33 Exports	1932-33 Imports	1932-33 Balance of trade	1933-34 Exports	1933-34 Imports	1933-34 Balance of trade	1934-35 Exports	1934-35 Imports	1934-35 Balance of trade
British Empire—							47,20	47,59	−39			
United Kingdom	53,46	44,76	−1,30	37,55	48,77	−11,22	5,91	1,29	+4,62	47,92	53,73	−5,81
Ceylon	7,65	1,39	+6,26	6,57	1,78	+4,79	3,26	2,68	+58	6,37	1,29	+5,08
Straits Settlements	4,70	2,87	+1,83	265	2,79	+86	2,98	1,02	+1,96	3,23	3,11	+12
Australia	2,95	1,58	+1,37	3,88	1,07	+2,81	1,08	45	+63	2,71	97	+1,74
Hongkong	1,81	52	+1,29	1,89	1	+1,38	1,88	69	+1,19	57	39	+18
Canada	1,47	42	+1,05	1,62	34	+1,28	65	49	+16	1,72	92	+89
Aden and Dependencies	77	53	+24	62	43	+19				64	42	+22
Kenya Colony, Zanzibar and Pemba	77	3,68	−2,01	64	2,22	−1,58	37	2,48	−1,76	51	3,20	−2,69
Other Countries of the British Empire	5,14	87	+4,27	4,54	1,95	+2,59				5,20	1,32	+3,18
Total British Empire	68,72	56,62	+13,10	60,46	59,36	+1,10	4,81	1,00	+3,45	68,87	65,35	+3,52
Percentage of Total Trade	44 1	44 8					68,14	57,70	+10,44	68 87	65 35	+3,52
Foreign Countries—												
United States of America	13,87	12,85	+1,02	9,76	11,25	+1,49	14,07	7,18	+6,89	12,89	8,41	+4,48
Japan	13,95	13,34	+61	13,95	20,50	+6,55	12,61	16,36	−3,75	24,59	20,80	+3,79
China	7,79	2,76	+5,03	3,55	2,95	+60	4,45	2,23	+2,22	2,62	2,07	+55
Java and Borneo	1,74	4,86	−3,12	73	4,17	−3,44	48	2,71	−2,23	51	2,21	−1,70
Argentine Republic	2,93		+2,39	3,64		+3,64						
France	7,48	2,17	+5,81	7,35	2,03	+5,32	7,37	1,51	+5,86	5,29	1,53	+3,76
Italy	5,40	3,61	+4,79	4,65	3,95	+70	5,75	2,91	+2,84	5,84	3,02	+2,82
Spain	1,34	20	+1,14	1,37	25	+1,12	1,41	21	+1,20	1,33	24	+1,14
Russia	53	95	−42	34	36	−2	8	1,64	−1,56	8	1,57	−1,49
Netherlands	4,66	2,04	+2,62	3,21	1,69	+1,52	4,21	1,82	+2,39	3,33	1,30	+2,03
Belgium	4,24	3,02	+1,22	3,93	3,42	+2,37	4,48	2,67	+1,82	4,39	2,16	+2,23
Germany	10,19	10,21	+2	8,00	10,37	−64	9,84	888	+96	7,17	10,10	+2,93
Austria		71	−71		64	−71		52	−52	1	53	−32
Other Countries	13,59	13,00	+59	11,49	10,64	−85	13,42	9,02	+4,40	14,70	13,00	+1,70
Total Foreign Countries	87,17	69,72	+17,45	71,97	73,22	−1,25	78,17	57,65	+20,52	82,80	66,94	+15,86
GRAND TOTAL	1,55,89	1,26,84	+29,55	1,32,43	1,32,58	−15	1,46,31	1,15,39	+30,93	1,51,67	1,32,29	+16,38

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries for Pre-War, War and Post-War years and for years 1928-29 to 1938-39.—(*concld.*)

(In Lakhs of Rupees)

Names of Countries	1935-36			1936-37			1937-38			1938-39		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	50,48	52,19	−1,71	63,49	48,07	+15,42	60,30	51,96	+8,34	54,93	46,73	+8,20
Burma							10,37	35,97	−15,60	10,02	24,17	−14,15
Ceylon	7,12	1,49	+5,63	7,32	1,76	+5,56	5,28	1,66	+3,62	5,09	1,18	+3,91
Straits Settlements	3,66	3,66		4,29	3,83	+46	2,52	3,74	−1,22	2,04	4,11	−2,07
Australia	2,87	1,19	+1,68	3,22	1,12	+2,10	3,13	1,66	+1,47	2,97	2,35	+62
Hongkong	50	42	+8	62	53	+9	84	24	+60	78	35	+43
Canada	1,72	94	+78	2,18	72	+1,46	2,32	1,00	+1,32	2,08	91	+1,17
Aden and Dependencies	71	43	+28	84	48	+36	95	59	+36	92	24	+68
Kenya Colony, Zanzibar and Pemba	58	3,50	−2,92	64	3,47	−2,83	60	4,47	−3,87	54	5,12	−4,58
Other Countries of the British Empire	6,32	1,69	+4,63	6,86	1,69	+5,17	6,28	3,93	+2,35	5,35	3,38	+1,97
Total British Empire	73,96	65,51	+8,45	89,46	61,67	+27,79	92,59	95,22	−2,63	84,72	88,54	−3,82
Foreign Countries—												
United States of America	16,12	8,94	+7,18	18,50	8,16	+10 34	18,26	12,88	+5,38	13,86	9,77	+4,09
Japan	21,89	21,84	+5	30,07	21,27	+8,80	18,13	22,19	+4,06	14,58	15,42	−85
China	1,88	1,85	+3	1,25	1,39	—14	1,98	98	+1,00	2,47	1,73	+74
Java and Borneo	49	2,06	−1,57	80	67	+13	1,05	75	+30	77	1,21	−44
Argentine Republic												
France	7,15	1,30	+5,85	8,19	1,14	+7,05	5,25	1,57	+3,68	6,15	1,39	+4,76
Italy	3,52	2,00	+1,52	5,09	1,21	+3,88	5,43	2,57	+2,86	2,60	2,69	−9
Spain	1,78	22	+1 56	67	18	+49	13	16	−3	21	11	+10
Russia	35	1,61	−1,26	56	54	—2	56	73	−17	25	20	+5
Netherlands	3,71	1,34	+2,37	5,64	1,33	+4,31	3,88	1,48	+2,40	3,42	1,43	+1,99
Belgium	5,52	2,44	+3,08	7,62	2,81	+4,81	5,97	3,27	+2,70	4,05	2,92	+1,13
Germany	9,50	12,34	−2,84	10,03	12,13	—2,10	10,42	15,31	−4,89	7,58	12,94	−5,36
Austria	4	43	−39	3	33	—35	7	78	−71	3	48	−45
Other Countries	14,61	12,49	+2,72	18,21	12 36	+5,85	17,20	15,89	+1,31	22,08	13,50	+8,58
Total Foreign Countries	86,56	68,86	+17,70	106,66	63,57	+84,72	88,33	78,56	+9,77	78,05	63,80	+14,25
GRAND TOTAL	1,60,52	1,34,37	+26,15	196,12	1,25,24	+70,88	180,92	1,73,78	+7,14	1,62,77	1,52,34	+10,43

N B—In this Table the figures of re-exports are not taken into account

Percentage share of the Prinicipal Countries in the Export and Import Trade of British India in Merchandise only.

Countries	Pre-War Average		War-Average		Post-War Average		1936-37		1937-38		1938-39	
	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports* Imports		Exports*
British Empire—												
United Kingdom	62 8	25 1	56 5	31 1	57 6	24 2	38 4	32 1	29 9	33 0	30 7	33 7
Ceylon	0 5	3 7	1 1	4 3	0 7	4 8	1 4	3 8	1 0	2 9	0 8	3 1
Straits Settlements	2 1	3 4	3 0	2 7	1 9	2 6	3 1	2 2	2 2	1 4	2 7	1 3
Australia	0 7	1 4	0 8	2 2	1 3	1 7	0 9	1 6	1 0	1 8	1 5	1 8
Hongkong	0 7	4 1	0 9	2 0	0 7	2 3	0 4	0 3		0 4	0 2	0 5
Mauritius and Dependencies	1 8	0 6	1 1	0 6	2 2	3 1		0 4		0 3		0 5
Other British Possessions	1 1	2 8	2 0	8 8	0 8	2 7	5 0	5 9	20 7	11 0	22 2	11 1
TOTAL	69 7	41 1	65 4	51 7	65 2	41 4	49 2	46 3	54 8	50 8	58 1	52 0
Foreign Countries—												
Japan	2 5	7 5	10 4	11 2	6 9	13 3	17 0	15 0	12 8	10 0	10 1	9 0
United States of America	3 1	7 5	7 0	11 6	8 5	12 0	6 5	9 5	7 4	10 1	6 4	8 5
Java	6 4	1 3	7 8	1 1	6 8	1 0	0 3	0 4	0 2	0 6	0 3	0 5
France	1 5	6 6	1 3	4 5	0 9	4 8	0 9	4 0	0 8	2 9	0 9	3 8
Italy	1 0	3 2	1 2	3 9	1 0	3 2	1 0	2 4	1 5	2 7	1 8	1 6
China (Exclusive of Hongkong and Macao)	1'1	3 9	1 3	2 0	1 2	3 6	1 1	0 6	0 6	1 1	1 1	1 5
Iran	0 4	0 5	0'6	1 6	0 7	1 3	1 7	0 7	1 6	0 4	2 3	0 5
Union of Socialist Soviet Republic	0 1	0 9	0 1	1 2	0 1	—	1 0	0 2	0 4	0 3	0 1	0 2
Netherlands	0 9	1 5	0 6	0 2	0 9	1 5	1 1	2 2	0 9	1 5	1 0	2 1
Belgium	1 9	5 3	0 3	0 5	1 8	3 7	2 2	3 6	1 0	3 1	1 9	2 5
Germany	6 4	9 8	0 7	0 9	2 8	4 9	9 7	4 7	8 8	5 3	8 5	4 7
Austria (a)	2 2	3 5	0 2	0 4	0 2	0 2	0 3		0 4		0 3	—
Total including other Foreign Countries	30 3	58 9	34 6	48 3	34 8	58 6	50 8	53 7	8 8	11 2	41 9	48 0
GRAND TOTAL	100 0	100 0	100 0	100 0	100 0	100 0	100 0	100 0	100 0	100	100 0	100 0

Does not include Re-exports and as such is not strictly comparable with previous figures

(a) Figures prior to 1921-22 represent Austria-Hungary

Index numbers of wholesale Prices of some principal Countries.

(Adapted from League of Nations' Bulletin)

Country	India (Calcutta)	United Kingdom	United States of America	Japan	France	Germany
Basis Year and Date	(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)
1926	105 0	112 6	104 9	107 7	110 8	98 0
1927	105 0	108 2	100 1	102 2	102 4	100 3
1928	102 8	106 2	101 5	102 8	102 9	102 0
1929	100 0	100 0	100 0	100 0	100 0	100 0
1930	82 3	84 0	90 7	82 4	88 4	90 8
1931	68 1	70 2	76 6	69 6	80 0	80 8
1932	64 5	67 7	68 0	73'3	68 2	70 3
1933	61 7	68 2	69 3	81 6	63 6	68 0
1934	63 1	71 0	78 7	80 8	60 0	71 7
1935	64 5	74 1	83 9	84 4	54 0	74 2
1936	64 5	78 6	84 8	89 9	65 5	74 9
1937	72 3	89 3	90 6	108 4	92 7	77 2
1938	67 6	77 8	8 25	114 3	104 1	77 1
1938						
April	66 7	79 3	82 6	112 3	102 6	77 0
May	66 7	77 4	82 0	113 2	104 3	76 8
June	66 7	77 8	82 2	115 7	105 3	77 0
July	67 4	77 9	82 7	115 7	104 0	77 0
August	66 7	76 2	82 0	114 6	103 5	77 2
September	67 4	76 0	12 2	114 6	104 0	77 0
October .	67 4	75 8	81 4	114 9	105 9	77 0
November ...	67 4	74 2	81 3	115 5	107 5	77 3
December	67 4	74 9	80 8	116 1	109 1	77 5
1939						
January	67 5	74 4	80 7	117 8	109 9	77 6
February	68 8	74 6	80'7	120 3	109 3	77 6
March .	68 1	74 8	80 5	120 5	108 9	77 7

Cost of living Index Numbers for India and Foreign Countries.

(Base 1929=100)

Name of Country	India (Bombay) (1933-34=100)	United Kingdom Economist	United States of America	France (Paris)	Germany	Japan (Tokio)
Composition Base Period	A-D 1929	A-E 1929	A-E 1929	A-E 1929	A-E 1929	A-C, E 1929
1926		104 9	103 0	90 8	92 3	109 7
1927		102 4	101 8	92 4	96 1	103 9
1928		106 2	99 0	93 3	98 5	101 5
1929		100 0	100 0	100 0	100 0	100 0
1930		96 3	96 6	104 5	96 2	85 5
1931		89 6	87 1	102 3	88 4	74 7
1932		87 8	77 8	94 6	78 3	75 4
1933		85 4	74 8	93 5	76 6	80 3
1934		86 0	79 3	92 8	78 6	82 0
1935	100	87 2	82 5	86 9	80 0	83 6
1936	101	89 6	84 7	91 1	80 8	87 8
1937	106	93 9	88 4	111 3	81 2	96 1
1938	106	95 1	86 3	125 5	81 6	110 1
April 1938	105	95 1	86 7	124 5	81 6	108 9
May ,,	104	94 5	86 4		81 8	108 9
June ,,	105	97 0	86 6		81 8	108 5
July ,,	106	95 1	86 4	123 9	82·3	109 9
August ,,	105	95 1	85 8		82 1	112 2
September ,,	105	94 5	85 8		81 3	112 6
October ,,	105	95 1	85 7	129 9	81 1	114 6
November ,,	106	95 1	85 5		81 2	115 6
December ,,	104	94 5	85 7		81 4	116 8
January 1939	105	94 5	85 3	122 6	81 7	116 4
February ,,	104	93 3	85 0		81 6	118 0
March ,,	103	93 8	84 8		81 8	117 4

Tonnage of vessels engaged in the foreign sea-borne trade of British India

(In Thousands of tons)

Nationality	1929-30 Entered	1929-30 Cleared	1930-31 Entered	1930-31 Cleared	1931-32 Entered	1931-32 Cleared	1932-33 Entered	1932-33 Cleared	1933-34 Entered	1933-34 Cleared
British	6,433	6,553	5,852	5,651	5,593	5,388	5,349	5,225	4,792	5,044
British Indian	92	85	82	95	80	82	52	62	17	33
Native	50	61	54	63	54	58	49	54	26	49
Foreign—										
American	233	264	159	157	198	184	225	235	223	258
German	673	708	666	680	553	594	420	419	352	435
Italian	590	564	473	475	524	551	598	604	710	722
Japanese	662	639	771	772	599	582	563	591	533	525
Other nationalities	915	862	49	412	766	746	647	615	537	516
TOTAL	9 648	9,736	9,006	8,785	8,367	8,185	7,903	7,805	7,360	7,717

Nationality	1934-35 Entered	1934-35 Cleared	1935-36 Entered	1935-36 Cleared	1936-37 Entered	1936-37 Cleared	1937-38 Entered	1937-38 Cleared	1928-29 Entered	1928-29 Cleared
British	5,120	5,387	5,422	5,534	5,380	5,720	6,039	6,389	6,371	6,552
British Indian	17	43	5	79	26	92	356	315	296	284
Native	35	61	33	59	36	57	41	68	45	72
Foreign—										
American	260	262	321	284	297	258	248	268	150	143
German	379	444	456	545	490	599	417	574	437	512
Italian	679	750	491	505	488	588	716	671	786	717
Japanese	654	621	777	679	776	791	635	604	569	631
Other nationalities	795	659	697	563	695	728	588	612	779	746
TOTAL	7,939	8,227	8,302	8,248	8,188	8,733	9,040	9,501	9,434	9,657

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

IMPORTS

Articles	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935 36	1936-37	1937-38	1938-39
Grain and Pulse—Wheat	276	158	125	364	338	176	233	203	326	175
Gram and Pulse ...	256	284	197	422	619	162	290	526	472	375
Rice, husked and unhusked	1,907	2,249	2,238	2,447	1,687	1,988	1,983	1,620	2,022	2,106
Other Grains and Pulse	1,258	587	778	729	379	298	537	681	1,125	1,089
Hides and Skins	171	134	106	97	125	134	141	169	176	137
Ghi	80	70	57	60	56	61	57	66	74	64
Tobacco	139	119	112	137	93	70	117	100	114	116
Wool, raw	214	103	130	71	174	151	191	264	178	190
Carpets and Rugs	31	22	17	20	14	11	12	17	16	11
Borax (*a*)	14	15	10	7	9	9	7	5	9	10
Charas (*b*)	2 3	3 0	2 7	2 3	2	2	2	2	2	2
Jute, raw	303	238	300	208	271	349	336	293	221	207
Oilseeds—Linseed	583	497	409	446	429	263	389	349	297	420
Mustard and Rape	282	260	304	356	286	343	297	388	453	326
Treasure (in 1,000 ounces)										
Gold		1 8		36	66	78	13	7	2	4
Silver	4,943	3,275	4,398	6,847	9,796	9,712	1,601	663	273	199

(*a*) Imported in appreciable quantities from Tibet
(*b*) Charas imported mainly from Central Asia and Turkistan

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

EXPORTS

Articles		1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1937-38	1938-39
Cotton—Twist and Yarn	62	76	79	72	73	66	58	67	64	65	70
Piecegoods, foreign	350	258	181	215	200	211	218	244	310	251	293
,, Indian	287	246	257	294	295	287	249	307	311	365	327
Dyes and dyeing materials, Indigo	9	9	7	1 6	1 7	6 7	3 7	3	2	2	1
,, others	28	12	11	27	32	13	10	10	11	10	8
Grain and pulse—Wheat	1,131	1,544	1,417	1,136	835	1,116	920	753	826	460	572
Rice, husked	530	701	649	670	663	697	717	618	606	615	517
Others	1,474	1,353	1,164	1,720	1,580	1,404	1,427	1,211	1,290	1,149	1,092
Iron and Steel—Unwrought	34	53	58	57	26	30	15	8	18	17	5
Sections	353	288	343	291	198	307	382	269	417	250	382
Machinery and Millwork	65	40	43	52	30	19	37	65	40	63	110
Others, including Hardware and Cutlery	54	30	54	29	31	24	26	35	41	40	35
Petroleum	331	376	370	392	311	357	392	327	394	510	553
Salt	1,844	1,706	1,599	1,740	1,706	1,501	1,526	1,558	1,517	1,627	1,628
Sugar—Unrefined	102	93	97	72	83	166	108	110	155	175	57
Refined	989	939	1,075	771	741	888	910	688	819	901	826
Tea	100	105	98	102	104	174	267	191	190	170	144
Tobacco	141	131	126	134	112	107	111	118	111	105	121
Brass and copper (*a*)	15	11	8	14	29	16	21	17	11	9	12
Betelnuts (*a*)	37	37	30	39	32	24	35	26	26	32	31
Treasure (in 1,000 ounces)—											
Gold	2 0	3 0	25 5	16	2 5		177		35	1	
Silver	8'373	6,185	8,288	15,151	3,976	2,051	897	454	2,078	566	530

(*a*) Sent in appreciable quantities to Nepal

Total tonnage of vessels employed in the Trade of India

(In thousands of Tons)

Year	Foreign trade	Coasting trade
1924-25	17,656	41,584
1925 26	17,136	43,112
1926-27	17,039	43,481
1927-28	17,579	47,873
1928-29	18,872	49,800
1929-30	19,384	52,181
1930-31	16,552	42,026 (Not accurate as Madras figures are not available)
1931-32	1,7971	Not available
1932-33	15,708	51,906
1933-34	15,077	91,625
1934-35	16,167	54,338
1935-36	16,551	39,853*
1936-37	16,922	39,850*
1937-38	18,541	37,543*
1938-39	19,092	38,459*

* Figures prior to April, 1937, include entrances and clearances of British Indian and Foreign vessels and native craft from and to Burma

TRADE SECTION:

INTERNAL TRADE

The importance of internal trade has generally been overlooked in all countries for a variety of reasons There was in the first place, the survival of the old mercantalist notion that the wealth of a country is increased only through its foreign trade The *laissez faire* economics of the nineteenth and twentieth centuries did little to help a more correct appreciation of the importance of internal trade activity, though it gave a corrective to the crudities of mercantalism The exaggeration of the importance of foreign trade may be seen from the fact that international trade has been regarded widely as identical with world trade and as the sole index of economic prosperity With the formulation of national economic policies and the growth of protectionism, internal trade is bound to grow both in volume and in importance In India foreign trade monopolised the attention of economists for two reasons Firstly, Government was more interested in foreign trade than internal trade and, therefore, provided more statistics in regard to the former Secondly, the state of the national economy and the country's indebtedness invested the favourable balance of trade and balance of payments with an unique importance Now that India, in common with the rest of the world, has taken to the policy of pro tectionism with a view probably to ultimate economic self-sufficiency, the course of internal trade has to be studied with at least as much care and attention as the foreign trade

It will be easily seen that internal trade falls into two divisions—coasting trade and rail and river-borne traffic The statistical data furnished in this section of the *Year Book* require an explanatory note about the basis of compilation

COASTAL TRADE

The "coastal trade" dealt with in these tables is the trade registered at the British Indian ports, that is to say, the trade of these ports with one another and with Indian ports not British The figures show generally the trade as declared in the shipping documents duly scrutinised with reports of notices of short arrivals or shipments and passed through the Customs Houses up to the last working day of the month or as near to that date as is practicable The term "Indian merchandise" comprises all goods that are of the growth, produce or manufacture of India Indian merchandise is distinguished from Foreign merchandise in the declaration of importers or exporters made in the Bills of Entry or Shipping Bills from which the trade statistics are compiled

The registration of the coasting trade is done separately (from the foreign seaborne trade) in the six maritime provinces namely, Bengal, Bihar and Orissa, Bombay, Sind, Madras and Burma The total imports into, and the total exports from, each province are divided as follows —

1 Internal trade, i e , trade among ports within the same province
(This includes the trade between a Customs and a non-Customs Provincial port which is registered at a Customs port)

2 External trade, i e , the trade, between one province on the one side and all other provinces plus non-British ports in India (e g , Kathiawar ports, French ports, etc) on the other

Passengers' baggage, postal transactions and merchandise transhipped at Customs ports are excluded from the accounts of both imports and exports Imports and exports of gold and silver coin and bullion on private or Government account, are recorded separately and are not included in the figures of merchandise Merchandise imported or exported on Government account, however, is outside the scope of these statistics

RAIL AND RIVER BORNE TRADE

The statistics of rail and river-borne trade were published upto the year 1922 but were then discontinued on grounds of economy. The information collected prior to 1922 used to be compiled from quarterly returns furnished by the local governments and they were published in a consolidated form in an annual publication. The publication of these statistics was resumed from the year 1933-34, and it is now essentially on the same basis, but the figures are published monthly and purport to be a summary view of the inland trade of India during each month together with running totals from the beginning of the official year.

The statistics relate to the inland trade of India, carried by the railways and the steamer services, and represent the movement of the trade into and from a province taken as a whole, or a chief port or ports, the trade of which is registered separately from that of the trade of the province in which such port or ports may be situated. The trade dealt with in these accounts would, therefore, fall into one or other of the following categories —

(i) the trade of a province with other provinces,

(ii) the trade of a chief port with the province in which it is situated, and

(iii) the trade of a chief port with other provinces.

Goods carried from one station to another within the same province or principal trade block are not registered for purposes of these accounts.

Classification of the trade by blocks — For the purposes of registration of these statistics the country is divided into 18 principal blocks, namely—

(i) 9 blocks representing the British provinces—Assam, Bengal, Bihar and Orissa, the United Provinces of Agra and Oudh, the Punjab (including the North-West Frontier Province and the Delhi Province), Sind and British Baluchistan, the Central Provinces and Berar, Bombay and Madras ,

(ii) 4 representing the principal port towns—Calcutta, Bombay, the Madras seaports, and Karachi , and

(iii) 5 representing Indian States—Rajputana, Central India, the Nizam's Territory, Mysore, and Kashmir.

Thus, the trade shown against "Bengal" is the trade of the province of Bengal, excluding Calcutta, the trade of which is shown separately ; similarly, the trade credited to "Bombay," to "Sind and British Baluchistan," or to "Madras" exclude the trade of Bombay port, Karachi or the Madras seaports for which separate figures are given. The rail-borne trade is not registered in Burma. The trade of the Indian States which lie within the external boundaries of a British province is included in the trade of that province.

The table gives a concurrent view of the imports into, and exports from, each of the 18 principal trade blocks of the commodities selected for specification in these accounts. As in inland trade the same commodity would figure once as imports into one trade block and again as exports from another, the necessity for separate tables to show the imports and exports has been dispensed with.

The plan on which the system of registration in force is based is that each of the railways should register its own imports (i e , such traffic as is received at stations on its line within a particular province or principal trade block from other provinces or blocks) without taking any account of the traffic which is received at such station *en route* to a destination on a different system, or to a station on the same system situated outside the province or trade block. In order to minimise the number of returns it has been arranged with the major railways that the statistics of import into stations on the minor railways with which they connect should also be registered by them. In the case of river-borne trade, the traffic is registered by the agents of the different steamer services concerned —

(a) between Calcutta and
 (1) Assam,
 (2) Bengal, excluding Calcutta,
 (3) Bihar and Orissa,
 (4) the United Provinces ,

(b) between Assam and
 (1) Bihar and Orissa,
 (2) the United Provinces ,

(c) between Bengal, excluding Calcutta and
 (1) Assam,
 (2) Bihar and Orissa,
 (3) the United Provinces , and

(d) between Bihar and Orissa and the United Provinces.

The trade carried partly by rail and partly by river, when booked through and carried by steamers running on connection with railways, is to be recorded generally by the railway administration concerned

The inter-provincial trade borne in country boats is not so large as to justify separate arrangements for its registration, and the registration of such traffic would in any case offer serious administrative difficulties

As the railway and steamer invoices show only the figures of quantity, the statistics offered in these accounts also relate to quantities only Owing to the great disparity between prices for the same commodity in different parts of the country it is impossible for purposes of these accounts to work out the corresponding figures of value and experience in the past has shown that on whatever basis values are assigned to the quantity figures recorded, these are in most cases liable to make only a very vague approximation to the truth and should more often than not afford no basis for working out a true and correct balance of trade for the different provinces involved The quantity figures entered in these accounts represent net weights, i e , the gross actual weights recorded in the invoices less certain percentages (varying according to the class of goods involved) which have been taken to represent the weight of packing material, etc

The general trend was, to a great extent, dominated by the fall in foreign trade, especially, under exports, and the difficult period through which trade and industry was passing is indicated by the fall under coal and coke suggestive of the reduced demand for fuel for industrial purposes Cement furnished an exception, the advance in total internal production being reflected in the greater volume of traffic handled Another industry whose increased output accounts for a increase in the total quantity despatched from the producing centres to outmarkets was cotton The increase under both yarn and piecegoods is reassuring but the increase under foreign goods cannot escape notice But it will be noted that the labour trouble in Cawnpore accounts for a striking fall in the volume of railborne exports from the U P and the total figures give a clue to the unwieldy stock position as at the end of the year The reduced movement under grain, pulse and flour points to the uneven character of the rainfall last year and the scarcity in the Southern Punjab led to a sharp fall in sendings to outside areas The increased dependance of Madras on outside supplies of rice may also be inferred from the statistics, and the fall under wheat is offset by the increase noted under wheat flour The fall under dyes and tanning substances recorded in the statistics furnishes an explanation for the fall under hides and skins as compared with the previous year The reduced yielded of the jute crop in the 1938-39 season cannot but be reflected in the quantity figures relating to loose jute The fall under jute manufactures is admittedly small, while that under pacca bales is also small but the changes in the receipts in various regions indicates that there is nothing like stability of consumption except perhaps in the case of the chief seaports There is nothing to surprise us in the increased quantity of iron and steel bars, billets, etc , taken by the chief consuming centres, the rise being noteworthy in the case of Calcutta The total quantity exported by Bengal was, however, lower in comparison with 1937-38 and the increase is accounted for by Bihar alone A point that will grip the attention is the rise under exports from Mysore to other consuming provinces The steep fall under manganese is undoubtedly a reflection of the fall in exports and production in the case of both C P and Madras, total sendings by rail and river showing a very considerable fall owing to the contraction in foreign demand The increase under oils and oilcake is small when compared with the fall under oilseeds, and the impression produced by the figures relating to many commodities is that the setback in economic activity was speedily communicated to the smallest sections Crop production figures afford a clue to the changes disclosed in the statistics, but the fact that an increase is recorded under sugar must not blind us to the absolute changes in both cane and sugar production last year The totals relating to gur, rab, etc , however, illuminate the changes chronicled under the sugar industry and the fall, it may be noted, affects not only Bihar and the U P but also Bombay The further increase under tea is illustrative of the steady growth of internal consumption The main impression left is that if the changes in volume do not correspond to the shrinkage noticed under total exports, the internal trade was not immune from adverse influences There are, however, suggestive features , the striking stability of internal consumption under salt, kerosene and other necessaries may justify conclusions relating to the standard of living

NOTE —From 1st April 1937, the figures for Coastal Trade exclude the trade between India and Burma Figures after 1st April, 1937 generally include adjustments on that account Figures for the earlier years are unadjusted

Coasting Trade of India

Imports of Indian Merchandise

(Value in 000's Rs)

Principal Articles	1934 35		1935-36		1936-37		1937-38		1938-39	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel	7,09	1,51,75	4,70	89,20	4,22	71 04	2,81	78,26	3,39	97,07
Drugs and Medicines	2,19	26,25	2,02	18,14	1,90	17,83	1,97	18,85	1,67	18,34
Dyeing and Tanning Substances	5,68	15,42	5,05	7,87	5,37	8 49	5,34	9,08	4,13	11,03
Fruits and Vegetables	19,85	1,70,90	19,32	1,06,96	17,39	94,89	15,92	94,34	11,17	98,27
Grain, Pulse and Flour—Rice	65,30	15,46,90	81 11	41,01	1,07,42	43,60	54,20	43,79	56,81	56,03
Wheat	1,84	1,71,87	7,12	1,44,81	7,96	1,11,71	6,89	1,24,48	6,27	1,76,68
Oils, Mineral	33,32	9,55,93	10,03	7,44	11,43	8,03	38	1,67	30	1,22
Salt	12,64	51,83	8,61	55,88	12,09	58,83	11,83	62,28	2,35	31,60
Seeds—Essential	2,51	43,77	2,62	30,00	2,32	34,16	3,05	44,89		4,75
Non-essential—Castor		4,97	3	9,24	6	3,50	2	5,62	13,55	16,74
Groundnut	2,85	13,76	7,23	16,60	16,43	22,14	28,05	35,97	2,52	28,92
Rape and Mustard	1,80	19,47	2,75	29,86	3,13	9,82	4,64	26,26	4,92	8,64
Sesamum	3,99	52,98	2,05	24,32	3,80	11,28	5,10	13,12	3,73	68,27
Copra	3,86	69,87	5,05	54,87	4,40	55,84	6,13	77,19	24,91	1,59,49
Spices	27,98	1,65,36	28,79	1,27,60	27,16	1,02,03	30,66	132,12	33,78	21,50
Sugar	16,25	15,45	21,06	12,70	41,51	64,77	36,22	24,71	72	8,26
Cotton—Raw and Waste	15,94	5,78,15	9,75	6,02,07	33,00	6,19,74	13,53	7,63,03	1,53	2,51
Twist and Yarn	2,34	2,64,30	1,80	2,45,20	2,34	2,36,91	1,50	2,67,59	13,17	8,38,75
Manufactures	37,69	11,42,21	27,12	8,32,42	29,61	8,84,80	25,98	9,00,86	10,09	1,05,52
Jute Manufactures	810	3,16,74	6,69	1,14,41	6,84	1,09,16	7,99	1,14,60	4,24	26,86
Tobacco	10,76	1,38,96	4,51	31,59	4,48	35,11	4,45	36,58	2,77	24
Teak Wood	5,99	1,75,91	3,01	1,98	2,84	45	2,77	39		
All Others			1,44,99	1,264 12	1,43,48	7,82,63	1,36,66	8,80,42	1,82,98	17,06,35
TOTAL	4,89,21	74,90,58	4,05,67	33,57,74	4,82,25	33,91,70	4,06,09	37,56,10	3,85,00	34,87,04

Coasting Trade of India

Exports of Indian Merchandise (Value in 000's Rs)

Principal Articles	1934-35		1935-36		1936-37		1937-38		1938-39	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel	4,51	1,49,39	4,08	82 01	3,90	69,93	2,52	75,20	3,53	87,79
Drugs and Medicines	1,46	19,06	1,62	16,22	1,23	17,89	1,55	17,27	1,21	15,63
Dyeing and Tanning Substances	5,99	16,30	5,10	9,18	5,13	8,79	4,99	9,90	2,77	45
Fruits and Vegetables	21,53	21,34	19,15	72,35	18 01	70,14	19,64	73,03	11,42	60,52
Grains, Pulse and Flour—Rice	84,17	13,60,23	1,13,59	74,64	1,20,51	83,10	62,75	77,81	73,94	1,03,67
Wheat	1,84	1,66 24	6,30	1,52,07	7,33	1 18,77	7,03	1,44,43	7,18	1,83,23
Oils, Mineral	41,66	15 26,13	12 70	25,42	14,71	31,33	2,14	1,19	44	1,23
Salt	10,27	39,50	9,89	38,51	12,98	4251	12 04	45,23	10 67	35,02
Seeds—Essential	2,96	34,40	2,77	32,76	2,29	26 28	2,72	33,69	2,28	34,10
Non-essential—Castor		41	1	43	4	1,03	1	17	4	32
Groundnut	2 56	57,89	7,59	12,37	16,97	16,08	27,62	27,06	11,58	7,22
Rape and Mustard	2 37	21,45	2 85	31,05	2,71	10,34	4,59	26,56	3,03	30,40
Sesamum	4,00	42,74	1,93	22,81	3,97	13,06	5,58	6,37	5,46	8,00
Copra	2,37	46,77	3,02	44,05	2,41	39,27	2,99	58,19	1,89	19,62
Spices	30,58	1,41 70	29,47	26 07	23,07	80,20	87,26	1,26 15	28,92	1,16,09
Sugar	9,37	14,85	15,81	35,34	35,34	5,73	77,96	31,74	2,44	8,53
Cotton—Raw and Waste	15,99	3,70,62	18,41	5,00,76	43,09	3,14,30	34	6,35,82	44,64	4,09,54
Twist and Yarn	2,18	75,35	1,76	2,43 10	2,51	2,07 67	1,58	2 51,06	1,79	2,55,17
Manufactures	21,30	12,84,71	14,75	10,07,93	16,22	10,27,68	14,78	10 42,06	14,65	10,12,30
Jute Manufactures	7 43	2,85,06	6,59	1,11,35	6,76	1,11,19	8,06	1,07,97	7,25	98,88
Tobacco	9,83	1,49,77	37	98,04	3,19	41 30	4,06	36,50	4,18	31,04
Teak Wood	5,54	1,95,89	2,94	13,56	3,16	12,59	3,18	12,82	2,26	10,49
TOTAL	4,78,11	76,50,06	4,26,59	34,43,51	4,80,70	32,92,59	4,13,81	37,15,00	4,16 40	34,91,75

Coasting Trade of India

Imports of Foreign Merchandise

(Value in Thousands of Rs)

Articles	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Hardware	62,01	59,99	62,70	37,83	37,77	38,73	21,17	21,91	29,40	28,65
Kerosene	13,78	9,38	11,13	23,38	21,01	14,99	7,66	6,66	18,07	20,02
Cotton Manufactures	3,01,04	2,74,56	3,81,34	1,78,03	1,44,02	1,30,71	1,17,68	1,49,92	85,21	54,10
Tobacco	11,84	15,02	8,99	20,30	2,48	2 54	4,12	4,47	4,07	3,25
All Others	4,94 33	4,60,83	5 68,64	4,37,12	4,58,24	4,57,38	2,71,49	2,75,42	3,58,[illegible]1	2,87,15
Total	8,83,00	8,29,28	10,32,80	6,96,66	6 63,52	6,44,35	4,22,12	4,58,38	4 94,96	3,92,17

The details for the years 1930-31 and 1931 32 are not available The totals are respectively Rs 7,35,00,000 and Rs 6,93,90,000

Coasting Trade of India

Exports of Foreign Merchandise

(Value in Thousands of Rs)

Articles	1927 28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Hardware	66,64	55,05	56,64	44,87	38,01	32,08	19,42	21,74	28,39	27,25
Kerosene	31,32	25,71	27,96	29,41	28,53	30,74	24,15	24,50	57,25	51,30
Cotton Manufactures	5,26,28	5,17,25	5,66,94	2,35,45	1,68,50	1,60,63	1,62,34	1,30,47	1,06,17	79,10
Tobacco	9,93	8,52	11,64	8,97	5,00	4,48	4,61	5,63	5,81	4,63
All Others	6,21,42	5,13,61	6,01,54	4,81,43	5,22,74	5,46,32	3,65,91	3,74 10	4,52,50	4,09,17
Total	12,55,59	11,20,14	12,64,72	8,00,13	7,62,78	7,74,25	5,76,43	6,06 44	6,50,12	5,71,95

Details for the years 1930 31 and 1931-32 are not available The totals are Rs 9,41,00,000 and Rs 8,41,75,000 respectively

Coasting Trade of India

Total Trade

(Value in Lakhs of Rs)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Imports of private merchandise—												
Indian	1,01,14	98,79	92,07	80,49	79,78	73,82	68,15	79,79	37,64	38,74	41,62	38,72
Foreign	8,83	8,29	10,09	7,35	6,94	6,97	6,63	6,46	4,81	5,06	5,83	4,83
Government Stores	1,34	1,27	1,27	1,17	1,14	(b)	(b)	(b)	(b)	(b)	(b)	(b)
Total Merchandise	1,11,31	1,03,35	1,03,43	89,01	87,86	80,79	74,78	86,25	42,45	43,80	47,46	43,55
Imports of Treasure	1,48	1,69	1 79	1,52	1,38	1,97	70	1,16	22	17	25	27
Total Imports	1,12,79	1,10,04	1,05,22	90,53	89,24	82,76	75,48	87,41	42,67	43,98	47,70	43,82
Exports of private Merchandise—												
Indian	92,56	85,21	82,69	71,82	69,73	74,75	72,45	81,28	38,70	37,73	41,29	39,08
Foreign	12,56	11,20	12,65	9,41	8,42	8,00	7,62	7,74	6,40	6,57	7,67	6,78
Govt Stores	1,04	99	1,15	97	73	(b)	(b)	(b)	(b)	(b)	(b)	(b)
Total Merchandise	1,06,16	97,40	96,49	82,20	78,88	82,75	80,07	89,02	45,10	44,30	48,95	45 86
Treasure	1,51	1,86	1,54	1,43	2,13	1,18	73	1,10	15	13	20	21
Total Exports	1,07,67	99,26	98,03	83,63	81,01	83,93	80,80	90,12	45,25	44,43	49,14	46,07
Total Trade	2,20,46	2,09,30	2,03,25	1,74,16	1,70,49(a)	1,66,69	1,56,28	1,77,53	87,92	88,41	96,84	89,89

(a) Includes total trade of 24 lakhs under Government Treasure, details for which are not available under 'Bengal '

(b) Figures not available

Trade between India and Burma—Chief Imports from Burma into India

(Value in Lakhs of Rupees)

Names of Articles	Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Rice in the husk	1,54	1,12	86	94	55	66	1,00	96	49	20	33
Rice not in the husk	4,18	7,96	10,93	8,38	6,37	9,93	11,96	11,73	11,59	10,98	11,36
Pulse	17	19	64	28	32	28	37	61	66	36	33
Oils Mineral—											
Kerosene	3,32	3,72	4,10	5,27	8,42	8,49	9,25	8,14	9,18	5 33	4,23
Lubricating	(a)	21†	21	50	70	65	69	79	66	58	49
Benzine and Petrol	(a)	46‡	2,01	2,84	5,34	5,42	5,74	6,77	6,90	3 43	1,68
Candles	12	15	18	8	8	7	7	7	0	(b)	(b)
Lac	3	6	43	5	2	9	10	5	7	(b)	(b)
Wood and Timber—											
Teak Wood	1,17	1,32	2,39	1,52	1,63	1,64	1,82	2 09	2,00	2,06	2,00
Other Timbers	18	14	28	14	16	18	22	32	28	(b)	87

(Quantity in Thousands)

Names of Articles		Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Rice in the husk	(tons)	214	168	93	269	110	161	222	174	87	33	59
Rice not in the husk	(,,)	383	806	709	1,086	936	1,928	1,978	1,573	1,534	1,198	12,81
Pulse	(,,)	19	19	46	33	42	44	50	74	82	38	34
Oils, Mineral—												
Kerosene	(gals)	97,570	110,821	119,290	120,414	126,397	122,588	127,775	114,728	127,565	132,880	114,075
Lubricating	(,,)	(a)	2,967†	2,160	7 341	7,465	6,525	6,779	7,264	5,505	14,185	11,939
Benzine and Petrol	(,,)	(a)	4,213‡	14,371	45,346	47,650	48,082	55,339	95,173	66,124	63,395	40,060
Candles	(lbs)	4,403	5,455	6,237	2,347	2,752		2,619	2,981	55	(b)	(b)
Lac	(cwt)						63	47	32		(b)	(b)
Wood and Timber—												
Teak Wood	(C tons)	128	110	166	104	125	132	154	180	170	(b)	152
Other Timbers	(,,)	28	20	25	16	17	23	30	41	39	(b)	(b)

† Average of 4 years
‡ Average of 4 years representing "Petrol" only
(a) Included with "Oils—Mineral—other kinds" prior to April, 1915
(b) Figures not available

Trade between India and Burma—Chief Exports to Burma from India

(Quantity in Thousands)

Articles		Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	1938-39*
Coal	(tons)	413	342	370	427	341	274	331	311	288	532	561
Cotton Twist and Yarn	(lbs)	10,395	12,636	18,944	12,915	12,616	12,616	11,482	10,100	10,804	8,870	12,443
Cotton piecegoods—												
Grey (unbleached,—												
Indian	(yds)	7,859	8,570	8,649	17,757	14,664	19,651	9,978	17,633	20,631	49,514	45,404
Foreign	(,,)	3,009	3,116	5,496	2,857	1,629	1,843	1 072	1,469	1,424		
White (bleached)												
Indian	(yds)	3,707	5,895	4,485	5,849	5,595	15,671	30,194	21,574	29,201	5,239	3,355
Foreign	(,,)	2,586	3,741	2,003	1,293	1,176	819	2,302	1,058	5,326		
Coloured, printed or dyed—												
Indian	(yds)	12,199	21,312	18,122	20,438	22,913	36,029	44,746	29,626	33,050	39,253	37,871
Foreign	(,,)	2,333	4,434	3,842	2,411	1,985	2,485	1 040	1,555	1,565		
Jute bags	(No)	38,948	39,822	40,123	53,292	41 181	57 196	56 951	53,241	54,479	50,882	61,565
Betelnuts	(cwts)	311	279	294	248	225	231	213	213	202	(b)	(b)
Tobacco, unmanufactured	(lbs)	21,160	16,432	16,687	14,014	13,399	11,115	11,466	11,441	13,132	7,628	10,891
Pulse	(tons)	14	12	15	12	13	6	6	5	4	(b)	(b)
Wheat flour	(tons)	16	12	18	18	19	20	22	24	26	27	25

(Value in Lakhs of Rupees)

Articles	Pre-War Average	War Average	Post War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38*	1938-39
Coal	51	65	1,09	68	55	45	50	46	42	49	59
Cotton, Twist and Yarn	56	97	2,35	68	65	52	55	48	51	50	63
Cotton, piecegoods—											
Grey (unbleached)—											
Indian	14	22	37	34	28	36	33	32	35	1,19	92
Foreign	5	9	24	6	3	4	2	3	3		
White (bleached)											
Indian	8	18	25	15	14	29	55	45	55	12	7
Foreign	5	13	11	4	3	2	5	2	1		
Coloured, printed or dyed—											
Indian	27	60	95	64	70	90	1,06	73	73	1,50	1,40
Foreign	6	20	25	10	7	7	3	4	4		
Jute bags	1,19	1 66	1,88	1,66	1,11	1,53	1,52	1,28	1,25	1,05	1,20
Betelnuts	60	56	64	43	34	30	27	27	31	(b)	(b)
Tobacco, unmanufactured	58	43	51	29	28	22	22	19	23	11	14
Pulse	20	20	36	18	20	9	9	8	6	(b)	(b)
Wheat flour	29	27	52	26	30	28	29	33	39	40	33

(b) Figures not available

* Since 1st April 1937, Burma has been separated from India and as such trade of Burma with India has been included in the Foreign Sea Borne Trade of India, it no more forms part of the Coasting trade

Tonnage of vessels engaged in the Coasting Trade of India

(In thousands of Tons)

Provinces	1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36		1936-37		1937-38		1938-39	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
Madras	9,848	9,736	10,300	(a)		(a)	10,551	10,894	11,196	11,562	13,024	12,336	10,742	11,479	10,755	11,006	9,807	10,076	10 023	10,104
Bombay	4,191	4,642	4,134	4,568		(a)	4,471	4,503	4,568	4,876	4,709	4,955	4,769	4,770	4,815	4,999	5,043	4,978	5,189	5,132
Burma	6,432	6,426	6,447	6,387	6,712	6,757	4,724	4,508	4,872	4,757	4,916	4,766							—	—
Bengal	4,098	3,592	3,689	3,356	(c) 3,016	(c) 2,709	3,439	3,078	3,545	3,031	3,876	3,254	2,658	1,840	2,597	1,923	2,320	1,501	2,369	1,716
Sind	1,605	1,611	1,598	1,547	1,533	1,634	1,388	1,637	1,473	1,719	1,702	1,800	1,657	1,884	1 626	1,755	1,636	1,826	1,553	1,999
Bihar & Orissa													26	27	201	173	183	172	192	182
TOTAL	24,955	24,845	26,174	26,007	26,168	15,858	24,588	(b) 24,634	25,667	25,957	27,207	27,131	19,853	20,000	19,994	19,855	18,991	18,553	19,325	19,134

(a) Figures not available separately

(b) Exclusive of figures for Madras

(c) Figures for Calcutta Port only

INDUSTRIAL SECTION.

THE INDIAN TARIFF BOARD

HISTORICAL SKETCH

The Indian Tariff Board is the natural result of the decision of the Government of India after the Great War to change the fiscal policy and adopt a policy of Protection to be applied with discrimination This decision was based on the findings of the Fiscal Commission that the industrial development of India had not been commensurate with the size of the country, its population and its natural resources and that the fullest development must be aimed at by a policy of judicious protection The Fiscal Commission also laid down the guiding principles of such a policy and recommended that in its application the Government of India should be advised by a Tariff Board consisting of not less than three members conducting their enquiries under conditions of the utmost publicity The Legislative Assembly accepted these recommendations in a resolution of February 16, 1923 And the Tariff Board was appointed in March, 1923, initially for one year as a measure of cautious experiment, and later, on the basis of a biennial renewal Though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members of the Board should be elected by the non-official members of the Legislature and there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board which consists of three members, one of whom is a Government official has been found by experience to be not unsuited to the purpose There has so far been no demand for any change in the constitution of the Board

The procedure in the case of a Tariff Board enquiry is very simple The industry concerned applies to the Government making a *prima facie* case for protection, and if and when the Government think it fit, the application is referred to the Tariff Board for enquiry and report As recommended by the Fiscal Commission, conditions of the utmost publicity are ensured though, of course, proceedings *in camera* are resorted to, when the evidence tendered is of such a nature that its publication will involve the divulging of trade secrets The interests concerned and public bodies like the various commercial associations submit their memoranda, supplemented, where necessary, by oral evidence The report is to be submitted to the Government , and on its acceptance by Government, the desired changes are effected by the normal processes of legislation The Tariff Board is of necessity an advisory body, the final decision resting with the Government and the Legislature

The first task of the Tariff Board with reference to any application is, as required by the Fiscal Commission, to assure itself that the industry satisfies the fundamental conditions necessary for a grant of Protection, namely, (1) that the industry possesses natural advantages, (2) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable and (3) that it will eventually be able to face world competition without protection

The rationale of the above conditions is obvious Taken together they mean that, except in the case of industries which are essential for national defence and are therefore outside the pale of ordinary economic considerations, protection should be recommended only if the Board is sure it is not an avoidable or permanent burden on the consumer This is in consonance with the principles of Free Trade which may be regarded as the permanent economic rule with protection as a mere temporary exception Every report of the Tariff Board may be deemed to fall into two parts, one showing whether the fundamental conditions are satisfied and the other, detailing the specific scheme of Protection and the reasons why the alternative methods are ruled out

It is appropriate to attempt a short analysis of the work of the Tariff Board during the past few years The Board has so far undertaken and accomplished about

50 enquiries Of these, in only four or five cases have its recommendations failed to meet with the acceptance of the Government Wire and wire nails, which was one such, subsequently gained the protection it sought In the other instance of the heavy chemicals industry, the publication of the report was delayed for two years after its submission to Government, after which it was granted tentatively a somewhat grudging measure of protection In eight instances, the applications were turned down by the Tariff Board , and the Government acquiesced in its decision In the case of magnesium chloride, coal and printers' ink, it was held that the case for protection was not established, though the latter gained its object through a slight increase in the import duty Cement failed to procure State help as it was found that what the industry suffered from was not the competition of foreign producers but a state of overproduction at home, a position which it was for the industry to adjust as soon and as well as possible The most outstanding instance in this category of rejected applications is that of oil, in which not only were the producing interests unable to establish a case for protection but a certain section of them was found to be unwilling to place the full facts before the Board

There were four cases in which import duties on raw materials needed for Indian industries were either reduced or removed In all the other cases, the applications have resulted in the grant of a substantial measure of protection But the chief beneficiaries of the activities of the Tariff Board have been the cotton mill industry and the iron and steel industry Latterly, matches, salt and sugar have come in for a substantial help by way of protection But nearly ten enquiries have been conducted by the Tariff Board in regard to articles which are closely connected with the iron and steel industry The cotton industry has been referred to it twice, not including the occasion in which the condition and needs of the cotton industry were the subject of an *ad hoc* enquiry by Mr Hardy, the Collector of Customs While the help rendered to the cotton industry has been in the shape of an increase in the duty on imported yarn and piece-goods, the iron and steel industry has had all manner of help ranging from a change in the tariff to direct bounties doled out by the State It would be unnecessary to detail the various steps taken to strengthen the iron and steel industry, as they are given in the table appended to this article

After the lapse of more than a decade, one feels tempted to take a comprehensive view of the work of the Tariff Board during this period, and to appraise *in toto* the benefits of the regime of discriminating protection and to enquire whether the constitution and functions of the Tariff Board leave any room for improvement The task of estimating the value of discriminating protection has been attempted now and again both by businessmen interested in particular industries and by disinterested economists An appreciation of the difficulties of the task and the practical value of its accomplishments to the economic policy of the future would suggest that its importance has been somewhat exaggerated The virtual death of international trade and the passing of the age of free trade and the well-nigh universal adoption of economic nationalism preclude the possibility of India abandoning discriminating protection after a trial of more than ten years Broadly speaking, the test of success of a protectionist policy is expansion of productive activity at home and the progress which the protected industries are able to make in the reduction of costs, and the attainments of economies which were mainly to be effected under the shelter of the protectionist duties If these are the two principal criteria of success one can say confidently that the policy of discriminating protection has been amply justified by its results For as mentioned already, the chief beneficiaries of the policy of discriminating protection are the cotton mill industry and the iron and steel industry To this has now to be added sugar because of its being a prime necessity and having an equally important place both in the agricultural and industrial life of the country

No one can deny that all these three industries have, on the whole, made good use of the advantages conferred on them by the State The cotton mill industry is much older than the policy of discriminating protection And one would expect that the additional advantage of protection would enable the industry to outgrow the need for these much sooner than other industries The charge that the cotton mill industry has shown the utmost inefficiency has been repeatedly made before the Tariff Board and in the press The 1932 report of the Tariff Board on the cotton mill industry shows clearly that there are numerous mills in the country and particularly in Ahmedabad which can produce goods of high quality and market them successfully in unaided

competition with Lancashire But for the rapid progress made by the Japanese mills, their low cost of production, and last but not least, their questionable methods of competition, the cotton mill industry would not have to figure as largely in our protectionist programme as it has to As for the iron and steel industry, the poor measure of protection accorded to the industry has been practically scrapped by by the 1934 report of the Tariff Board Not only have the protective duties been withdrawn in most cases, but the Tariff Board has actually recommended the abolition of revenue duties to which advantage a national industry is entitled even under a scheme of fanatical free trade In this instance, the Continental steel industry plays about the same part as Japan plays in the case of the cotton mill industry But it is the considered opinion of the Tariff Board that if Continental manufacturers would charge fully economic prices for their products, then the iron and steel industry would have no reason to fight shy of open competition with them in the Indian markets As against the British industry the Indian is now believed to be able to forego the advantage of revenue duties Though the abolition of revenue duties effected by the Iron and Steel Duties Act is manifestly unfair to the Indian industry and is not without grave risks to the welfare of the Tata Iron and Steel Company, the findings of the Tariff Board leave no room for doubt that protection to the iron and steel industry has been hundred per cent sucessful

The sugar industry has had a short period of intensive protection Within a year of the inauguration of protection for sugar it was clear that in this instance protection had led to abnormal expansion of sugar industry in India The sugar technologist of the Government broadcast the view that there had been an almost unhealthy expansion and it was in the interest of the industry to put a curb on such expansion The Government of India also found that the import duty on sugar comprising as it did, both the protective duty recommended by the Tariff Board and the revenue surcharge, was so effective in checking the imports of sugar from abroad that the Government's expectations of revenue from this source were not realised So in the last quarter of 1933-34 Sir George Schuster came to the conclusion that in the interest both of the industry and the revenue of the an excise duty on sugar, leaving the net amount of protection at the level recommended by the Board, so that it will be seen that protection has been successful in not only bringing the sugar industry into existence but also in inducing its vast expansion within a very short period Thus, judged by the record of the big staple industries, discriminating protection has already much to its credit

There is then the question of the constitution and the functions of the Tariff Board It may be said that though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members should be elected by the non-officials of the legislature, and that there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board, consisting of three members one of whom is a Government official has been found by experience to be quite suited to the purpose There has so far been no demand for any change in the constitution of the Board And as it has functioned for a period of ten years without a break, it has come to be regarded as part of the permanent machinery of Government Though it s outside the scope of this *Year Book,* it may be mentioned here that in the middle of June 1936, the Government disbanded the Tariff Board on the ground that the Board could be reconstituted as and when necessary Though it is true that there was no work for the Board for some time to come, the action of the Government created serious disquiet in the public mind regarding the continuance of the policy of discriminating protection And the disquiet was enhanced by the report that Government was considering a downward revision of customs tariffs The Fiscal Commission, it is pertinent to recall here, contemplated a Tariff Board, which between one enquiry and another would be engaged in an examination of the tariff schedule and the effects thereof on indigenous industry, and which would, from time to time, make suggestions for its revision There is no doubt that the questions relating to the Tariff Board should be gone into afresh in the light of the experiences of the last decade

The tariff changes made after the 1938 39 budget are not without interest Following the publication of the Tariff Board's recommendations relating to the sugar, the paper and the magnesium chloride industry after considerable delay, the Government of India decided to modify the import duties The import

duty on sugar was reduced by a cut on the ground that the price level had risen and a shortage of domestic supplies would throw unnecessary burdens on the consumer The case was entirely different in regard to the reimposition of the wheat duty in December last The paper duties were revised and the margin of protection was lowered beyond the abolition of the surcharge The enhancement of the import duty on raw cotton was a more controversial decision, and the textile industry protested that in view of the higher wages bill—any increase in the costs of production would reduce its competitive capacity The doubling of the duty was, however, enforced as from March 1st As a consequence of the Indo-British trade treaty the import duties on all three main classes of British textiles was reduced and the introduction of a quota arrangement linking India's raw cotton exports to Lancashire with her offtake of British textile manufactures, a scheme which was at variance with the views of the panel of the majority of non-official advisers, excited considerable opposition Widening of the margin of preference for Indian exports to Britain, and the reduction in the number of British items eligible for preferential exports to Britain, and the reduction in the number of British items eligible for preferential treatment under the Indian tariff did not cause as much satisfaction as was hoped for, and the Indo-British Trade treaty was acceptable only to the Council of State, the Legislative Assembly having expressed complete dissatisfaction

The Viceroy's certificate powers were invoked to give effect to the increase in the duty on raw cotton, and the only concession made by the Government of India was to revise the original proposals regarding the duty on paper and pulp The Budget Session revealed the widening of the gap between official and non-official views on the advantages of protection, and it is quite likely that the official investigation into the working of protection had made the Government adopt an attitude, more or less of indifference, towards Indian industries The revenue problem of the Centre may, however, account for the change in view On the other hand, the desire for preparedness may stimulate even the Government to manifest increasing interest in the organisation of new industries capable of meeting wartime requirements in regard to certain goods hitherto imported, and a skeleton organisation has been evolved under the direction of the new Secretary for Defence coordination

But the government's complacent criticism of the Tariff Board report on sugar provoked a feeling that the sympathy expressed for industrial development was superficial, and the rush procedure employed in connection with the Indo-British trade pact confirmed public distrust in the negative attitude of the Government of India The textile industry's troubles have continued to increase since the Budget session, and a request for the immediate reduction of the duty on raw cotton has been countered by references to the American export subsidy and the duty to protect the Indian cotton grower The arrival of a Japanese mission, charged with the task of negotiating a trade treaty to replace that of 1937 led to a considerable increase of interest in trade policy generally

Representations made on behalf of Indian textile interests have emphasised the need to revise the provisions to the advantage of Indian, while the Japanese have been impressed by the necessity for securing terms, as good or better, than those accorded to Lancashire The preliminary conversations in which non-official representatives have participated, however, led to a clarification of the Indian position generally The case of minor industries handicapped by Japanese competition was formally stated at this conference convened by the New Commerce Member, and the desirability of extending quota restrictions to a large class of miscellaneous imports was appreciated Indian textile interests have laid special emphasis or the necessity for a new treaty of wider scope and more detailed provisions than the cotton trade protocol—and fresh arguments have been adduced with reference to the scope that Japan has far increasing her textile exports after the setting up of puppet governments in North China The talks with the Consul-General commenced in July, were adjourned and resumed late in August

The tension in the Far East may, however, interfere with the smooth progress of negotiations, and the possibility of a termination of the Indo-Japanese trade treaty after giving formal notice cannot be ignored The bargaining power of Japan, it may be mentioned in passing, has not decreased, and the lack of unanimity —the hand-loom industry favouring yarn imports whereas the mill industry wants strict quota restriction—on the Indian

side suggests that if a new trade treaty results, it will be, in essence, a compromise. Concessions may be secured in regard to reexports from Burma, but the Japanese may not yield over the Indian demand that textile imports from North China should be included in the quota assigned to Japan. The initiation of discussions with Burma and the indefinite postponement of the trade treaty talks with Ceylon are governed largely by developments within the respective countries. India's relations with her neighbours are none too good, and in the case of Ceylon, the delay may be prolonged in view of the ban on emigration of labour.

Trade treaties were not negotiated with other countries than Britain but the signing of the Anglo-American trade pact, followed by the appointment of an Indian Trade Commissioner in New York brought up the question of having an arrangement with the U. S. A. The official view on the subject has not been ascertained, but the very moderate improvement in India's export trade, followed as it is by a similar recovery under imports, have impressed on the public the advantages of bilateral trade pacts. The sharp reduction in exports to Europe have not raised fresh doubts about the advantages of Imperial preference, but the atmosphere of preparedness in Europe has convinced Indian opinion, that planned development of preparedness in Europe has convinced Indian opinion, that planned development of industry within the country is the solution for the employment problem and the stagnation of export trade alike. It is, therefore, not surprising to find that in spite of the spareness of replies to the Planning Committee's questionnaire the public imagination has been captured by the deliberations of the Planning Committee. Even the qualified or negative support given by the Punjab and Bengal Government, which claim to have separate inquiries in hand, as elaborate and comprehensive as any, has not detracted from the value of the work done in the first year by the committee. The sub-committees appointed at the session in Bombay have been asked to collate their work by frequent consultations, and March 1940 has been fixed as the time limit for the preparatory work. The planning committee has decided upon its programme, and the appearance of provincial schemes, such as that of Bihar, has increased public interest in the potentialities of a Plan.

Market conditions were definitely against the promotion of industrial enterprises, but there were a few satisfactory features. The heavy chemical industry, established when the I. C. I. launched their Indian venture, promises to develop swiftly with the creation of the Tata Chemical Company in Western India. The inauguration of a native aluminimum industry has come nearer accomplishment, and the formation of a company to manufacture bicycles in India shows which way the opinion of Indian industrialists is moving. The deputation of an officer of the Bombay Government to ascertain the possibilities of foreign technical cooperation in the establishment of an automobile factory in India is a reminder that the scheme has not been shelved as too ambitious. The virtues of planning have not been ignored by established industries, and the rate-war in the cement industry gave place first to negative quiescence, and the beginning of discussions for a settlement. Although prospects seemed quite favourable in July, the two groups have not settled their differences.

The Bengal Government's intervention in the jute industry for hastening the advent of restricted working must not be omitted. In the sugar industry, the control legislation, adopted in the U. P. and Bihar has brought back a measure of stability, and the vicissitudes of the sugar market too are not likely to affect the manufacturer. Provincial governments have manifested great interest in industrial progress and the establishment of an industrial Museum in Calcutta has made Madras follow suit. The development of cottage industries has been stimulated by the A. I. V. A. whose work has been facilitated by grants from various provincial governments whose interest in the subject of general industrial development led them to support the demand made last year for a revision of the rupee-sterling exchange ratio.

The disquieting developments in the world of Indian labour must be mentioned in conclusion. The textile industry in Cawnpore was the worst sufferer, and the more recent developments at that centre have compelled the Provincial Government to introduce special legislation. The Trade Disputes Act came into force in Bombay on August 1st and the lead is still retained by Bombay in regard to industrial legislation since a Shop Hours Bill and similar measures show that the con-

ception of industrial welfare extends beyond the enforcement of prohibition in the industrial cities of Bombay and Ahmedabad The wage increases made last year in the textile industry both in Upper India and Bombay did not prevent the recrudescence of trouble in 1939 The strike fever is again in evidence, and the threat of a general disturbance has been aggravated by the protracted depression in the mill industry

The depression in the textile trade has been in progress since the Textile Labour Enquiry Committee in Bombay resumed work, and the anxieties of government have increased Labour trouble in the iron and steel industry has been taxing the attention of authorities, and the arbitrators' award given at Jamshedpur in August is the sequel to sporadic trouble in the Tisco-works Other establishments in the same town have been affected badly and the appointment of an industrial Labour Inquiry committee by the Government of Bihar last year was a step largely forced by the trouble in the copper mines

An Industrial Council on the lines recommended by the Whitley Commission has to take shape and the move for a uniform policy in the provinces by arranging for a conference of provincial ministers to settle the general times of labour legislation has found wide support The problems of labour have proved more troublesome than the problem of industrialisation, and the ferment in the world of labour during 1938-39 was more pronounced than in the preceding year The attitude of provincial governments has been firm yet conciliatory, and only the deterioration in the industrial outlook can explain the revival of labour trouble especially in the textile industry

The restoration of harmonious relations will be the most pressing problem before the Provincial Governments, and the Central Government's desire to promote co-ordination will bring about the adoption of similar remedies for Labour discontent is a happy indication of agreement between the two The industrial share market has lost as a consequence its attractions for the investor, and the dependence of share values on strike new has provoked no surprise during this year If the labour situation is disquieting, industries can draw little or no comfort from the general economic outlook crop failures in many provinces, the recurrence of flood damage and the uncertain course of commodity prices are tremendously depressing features against which a fall in the cost of living cannot be set as a compensating feature The obvious reluctance of the central of the government to adopt recovery measures suggest that the tariff is not going to be adjusted in favour of Indian industries in the near future The transition period under the new constitution has revealed that unofficial effort with the assistance of the Ministries, must do its best in the circumstances Encouraging indications are not, of course, lacking at present and the manifestation of public interest is the best assurance that planners are anxious to regulate and advance industrial progress The agricultural aspect has been stressed more than once, and the plans for a minimum price for jute and the compulsory restriction of acreage are the complement to the restriction agreement adopted in the mill industry followed by the introduction of shorter hours in order to give effect to a further reduction in output decided upon by the mills Inter-provincial co-operation is another promising feature of such recent developments, and the interest taken in the re-rolling industry, for instance, shows that industries, small and great, command attention at present The increased output of such industries as cotton textile, mining and steel testify to a further advance in industrial production, not without significance in the downward phase of the trade cycle One of the signs of recovery is not lacking, and a resumption of large scale investment may conceivably bring about not only a further advance in many industries, but a rise in the standard of living that will restore profit margins for all industries

The reconstitution of the Tariff Board for an inquiry into the claims of the Indian sericultural industry during 1938-39 indicates that there was no departure in policy The case for enhanced protection was presented by the industry domiciled in the States and the Provinces, but the report would probably make a belated appearance while Government's action thereon may or may not be in accordance with the publi's expectations The Indian Tariff Board's future is necessarily invested with uncertainty, but there has been a feeling of late that an independent judicial body whose findings and proposals should be binding on the Government should be established as soon

as a federal government comes into being The need for an impartial umpire, especially, when British manufacturers have a right to present their point of view has been stressed by the advocates who think that the Australian model furnishes a pattern for India

The planning *regime*, however, implies less dependence on the tariff than that formerly and a central planning body, in touch with a responsible executive at the Centre, can more than influence tariff policy It is this which has brought public opinion round to the view that in the next phase, the tariff will not be the principal factor in development, but direct assistance by the State, to the extent of providing part of the requisite capital would have to be tried If and when that comes, the control of industrial development would be more complete and perfect, and the Tariff Board's views regarding the grant, renewal or withdrawal of protection would be received always as authoritative and binding upon Government

TABULAR STATEMENT SHOWING THE WORKING OF THE TARIFF BOARD.

Serial No 1	Date of reference 2	Personnel 3	Subject of Enquiry 4	Recommendations by Tariff Board 5	Action taken by Government
1	July 10, 1923	*President* G Rainy *Members* P P Ginwala, V G Kale	Steel Industry	ROLLED STEEL INDUSTRY Specific duties of varying amount were recommended on different kinds of rolled steel as under— Rs per ton Structural shapes, *i e*, beams, angles, channels, etc 30 Ship, tank and bridge plates 30 Common merchant bars and rods 40 Light rails (under 30 lbs) 40 Black sheets, whether plain or corrugated 30 Galvanized sheets, whether plain or corrugated 45 WROUGHT IRON Angles, channels 20 Common bars 35 A sliding scale of bounties was recommended on the manufacture of medium and heavy rails and fish-plates and the conversion of the existing *ad valorem* duty into a specific duty of Rs 14 a ton was also advocated ENGINEERING INDUSTRY 25 per cent *ad valorem* duty on fabricated steel generally, but excluding (*a*) steamers, launches, barges, flats, boats and other vessels, and (*b*) all vehicles except colliery tubs and tipping wagons 25 per cent *ad valorem* on switches and crossings Specific duty of Rs 40 a ton on spikes and tie bars WAGON BUILDING INDUSTRY A sliding scale of bounties was recommended subject to a maximum cost of Rs 7 lakhs to the State	The Steel Industry (Protection) Act, 1924, was passed at a special session of the Central Legislature embodying all the recommendations of the Tariff Board except the one regarding Agricultural Implements The Act received the assent of the Governor-General on 13th June, 1924

Serial No 1	Date of reference 2	Personnel 3	Subject of Enquiry 4	Recommendations by Tariff Board 5	Action taken by Government 6
				TINPLATE INDUSTRY A specific duty of Rs 60 per ton WIRE AND WIRE NAIL INDUSTRY A specific duty of Rs 60 per ton on all wire except barbed and stranded fencing wire which would continue to be subject to 10 per cent *ad valorem* A specific duty of Rs 60 per ton on wire nails AGRICULTURAL IMPLEMENTS The *ad valorem* duty to be raised to 25 per cent on picks, powrahs or kodalis and hoes LOCOMOTIVE BUILDING INDUSTRY Protection not recommended STEEL CASTINGS No specific recommendation was made ENAMELLED WARE INDUSTRY No recommendation was made	
2	Oct 5, 1923	*President* G Rainy *Members* P P Ginwala, V G Kale	Sulphur	The Board recommended that the import duty on all kinds of sulphur be removed	Duty removed with effect from 9th June, 1924
3	April 10, 1924	Do	Paper and Paper Pulp Industries	The Board recommended a specific duty of one anna a lb on all writing paper and on all printing paper other than newsprint containing 65 per cent or more of mechanical pulp They also recommended that Government should assist the industry by an advance of capital to the extent of not more than Rs 10 lakhs to the India Paper Pulp Company from their own resources or by the guarantee, in respect of both principal and interest, of a public issue of debentures in order that the possi-	The Bamboo Paper Industry (Protection) Act, 1925, was passed in September embodying the proposals of the Board regarding the duty but not the financial assistance, in lieu of which, the period of protection recommended, by the Board was enhanced by 2 years, *i e*, from 5 to 7 years

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	
				bilities of manufacture of paper by the sulphite process might be fully explored The Carnatic Paper Mills which intended to make paper from bamboo by the Soda process might also be assisted with capital in the same manner as the India Paper Pulp Company provided the technical advisers of the Government of India were satisfied that the scheme had reasonable prospects of success	
4	April 10, 1924	*President* G Rainy *Members* P P Ginwala, V G Kale	Printer's Ink Industry	The Board was of the opinion that an increase in the Custom's duty on imported printer's ink from $2\frac{1}{2}$ to 5 per cent *ad valorem* would meet the case	Government accepted the proposal
5	April 10, 1924	Do	Magnesium Chloride Industry	In the considered opinion of the Board, the claim to protection was not held to be made good	Government agreed with the Board's conclusion
6	April 10, 1924	Do	Cement Industry	The main conclusions of the Tariff Board were— (1) The cement industry in India possessed natural advantages in an abundant supply of all raw materials and was at no disadvantage in regard to labour (2) Though the consumption of cement in India had grown with great rapidity, it had not kept pace with production which had increased considerably (3) The price of cement in India was unremunerative which was due entirely to internal competition (4) The industry was in virtual possession of the up-country market over a large part of India which was small compared to the demand in the ports (5) Four-fifths of imports came from U K Consumers would not purchase Indian cement unless the price was markedly lower	The Governor-General-in-Council was satisfied that there was no justification for the intervention of Government and therefore did not propose to take any action on the Report

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
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				(6) Cement produced in India was generally of very good quality	
				(7) Notwithstanding the remoteness of the Indian cement works both from coalfields and from the ports, the industry would eventually be able to meet world competition at the ports without special assistance	
				(8) The difference in price at which Indian cement was likely to displace British was estimated to be Rs 8 a ton in Bombay and Rs 12 in Calcutta	
				(9) It was considered desirable that assistance should take the form of bounties which would be payable on cement consigned to and *via* the four great ports and their adjacent areas	
				(10) The 15 per cent *ad valorem* duty should be converted into a specific duty of Rs 9 and declared prohibitive	
				(11) Two schemes having different scales of bounties were drawn up, but whichever scheme was adopted, it should not come into force until the Government of India were satisfied that the price of Indian cement in the ports was in such a relation to the price of imported cement that the payment of bounties would not lead to a reduction in the price of Indian cement	
7.	Oct 8, 1924	*President* G Rainy *Members* P P Ginwala, V G Kale	Steel Industry (urgent enquiry)	As a result mainly of a heavy fall in the sterling prices of Continental steel and of the maintenance of exchange in the neighbourhood of 1s 6d, the Board definitely held that the Steel Industry (Protection) Act had so far failed to achieve its purpose and recommended heavy increases on fabricated articles, which were as follows	Government accepted the finding of the Board that the protection given by the Act had been insufficient and that further protection was necessary, but in view of the fact that the recent duties had brought in more revenue than was anticipated and also in view of the fact that the imposition of further duties would entail a burden

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
					on the consumer out of proportion to the benefit derived by the industry, they thought that a bounty of Rs 20 per ton on 70 per cent of the total weight of steel ingot subject to a maximum of Rs 50 lakhs would meet the needs of the case The bounty was given from 1st October, 1924 to 30th September, 1925 The proposal of Government to grant bounties was warmly approved by the Board

Class of material	Duty as per 1924 Act	Duty proposed
UNFABRICATED IRON & STEEL		
Steel bars	40	75
Iron bars	35	65
Steel structural sections	30	65
Iron structural sections	20	50
Plates	30	55
Black sheet	30	52
Galvanised sheet	45	78
Tinplate	60	104
Rails and fish-plates, medium and heavy	14	30
Rails and fish-plates, light	40	75
FABRICATED IRON AND STEEL MISCELLANEOUS		
Fabricated structures	25% *ad valorem*	25 % *ad valorem* *plus* Rs 60 per ton
Coal tubs etc , and built up tubs	25 ,, ,,	25 % *ad valorem* *plus* Rs 47 per ton
Fabricated steel beams, channels, angles, etc	25 ,, ,,	25 % *ad valorem* *plus* Rs 54 per ton
Fabricated iron, angles, etc	15 ,, ,,	15 % *ad valorem* *plus* Rs 44 per ton
Fabricated plates	25 ,, ,,	25 % *ad valorem* *plus* Rs 41 per ton
Fabricated sheets	15 ,, ,,	15 % *ad valorem* *plus* Rs 40 per ton
Spikes and tie bars	Rs 40 per ton	Rs 75 per ton
Switches and crossings	25% *ad valorem*	25 % *ad valorem* *plus* Rs 35 per ton
Wire nails	Rs 60 per ton	Rs 90 per ton

8	June 18, 1925	*President* G Rainy *Members* J Matthai	Steel Industry	The main recommendations of the Board were as follows — (1) Payment of a bounty at the rate of Rs 18 per ton on 70 per cent of the weight of steel ingots produced in India between 1st October, 1925, and	A Resolution was adopted in the Legislative Assembly in September which provided (1) a bounty of Rs 12 per ton on 70 per cent of the total weight of ingots made in each month the total amount for the 6 months ending 31st

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				31st March 1927, subject to a limit of Rs 90 lakhs	March, 1926, to be Rs 18½ lakhs and for the year ending 31st March, 1927, Rs 41½ lakhs
				(2) Grant of rebate to the Tinplate Company of the Customs duty paid by them on tin imported for the manufacture of tinplate (3) Raising of protective duty on imported tinplate from Rs 60 to Rs 89 per ton (4) Protective duty on fabricated steel other than the kinds specified under other heads from 25 to 32½ per cent *ad valorem* (5) Protective duty on such component parts of steamers, launches and other vessels for harbour and inland navigation as are made of fabricated steel to remain at 25 per cent *ad valorem*	(2) Bill No 29 of 1926 amended the Steel Industry (Protection) Act of 1924 and provided for (*a*) bounties to the extent of Rs 13,60,000 on iron or steel wagons ordered during the financial year commencing on 1st April 1924 (*b*) bounties to the extent of Rs 19,40,000 on iron or steel wagons and on railway carriage underframes ordered after 31st March 1925 and before the 1st April 1937
				(6) Imposition of a duty of 40 per cent *ad valorem* on tipping wagons, coal tubs, and switches and crossings (7) Amendment of the Steel Industry (Protection) Act to empower the Government of India to sanction the payment of bounties on railway wagons and carriage underframes subject to a maximum limit of Rs 24 lakhs in 1925-26 and Rs 20 lakhs in 1926-27 (8) Cessation of payment under section 4 of the Steel Industry (Protection) Act of bounties on railway wagons with effect from 1st April, 1926 (9) A public announcement to be made of all bounties sanctioned on wagons and underframes	Resolution adopted in the Legislative Assembly, 17th February, 1926, was to the effect that supplementary assistance should be given to the tinplate industry in India (*a*) by increasing from Rs 60 to Rs 85 per ton the specific protective duty on all steel tinplates and tinned sheets including tin taggers and (*b*) by reducing the duty on tin, block, from 15 per cent *ad valorem* to a specific duty of Rs 250 a ton
				SHIPBUILDING INDUSTRY	
9	March 28, 1925	*President* G Rainy *Members* P P Ginwala, J Matthai		The Board recommended that the duty on the fabricated steel parts of ships and other inland vessels should be fixed at 10 per cent but subject to the proviso that the duty was in no case less than Rs 35 a ton	Government accepted this finding of the Tariff Board but postponed legislation in regard to import duty on ships and other vessels for inland and harbour navigation till the results of the Statutory enquiry into iron and

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					steel industry were known In the meanwhile Government gave exemption to iron and steel in ships and other vessels imported for inland and harbour navigation from so much of the protective duties as was in excess of 10 per cent *ad valorem* or Rs 35 per ton whichever was higher By the Steel Industry (Protection) Act, 1927, this compensation was reduced to Rs 23 per ton
10	March 28, 1925	*President* G Rainy *Member* J Matthai	Removal of import duty on spelter and enhancement of duty on imported galvanized hardware	No recommendation was made for the imposition of a protective duty on imported galvanised hardware, but it was suggested that the revenue duty on imported zinc and spelter of all kinds should be removed	On 3rd July, 1926, Government issued a resolution that the recommendation for removing import duty on spelter should be considered at the time of the next budget and in connection with further protection for Steel industry in 1927 Government accepted the Board's finding in regard to the non-imposition of a protective duty on imported galvanized iron ware
11	June 18, 1925	*President* G Rainy *Members* P P Ginwala, J Matthai	Wire and Wire Nail Industry	The Board had no proposals to make for the grant of supplementary protection, but thought that the handicap under which the industry suffered should be removed Therefore they suggested that the Wire Company should be permitted to import wire rod subject only to a duty of 10 per cent until 31st March, 1927 No case was made out for protecting the manufacture of nails as a separate industry using imported materials Nor should any special concession be given to Messrs Halley Brothers in respect of their manufacture of hackles	Government accepted the findings of the Tariff Board
12	Sept 30, 1925	*President* G Rainy *Members* P P Ginwala, J Matthai	Coal Industry	Majority and Minority Reports—both held that the case for a protective duty on all imported coal was not established The Minority report, however, was for the imposition of a countervailing duty	The Government of India accepted the unanimous finding of the Board that the case for a protective duty on all imported coal had not been established They also accepted the finding

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
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				on South African coal, which the majority did not support	of the majority report that the imposition of a countervailing duty on South African coal was not advisable though justified on facts, reported by the Board
				ROLLED STEEL INDUSTRY	
13	April 3, 1926	*President* P P Ginwala, *Members* A E Mathias, J Matthai	Steel Industry (Statutory enquiry)	After reviewing the policy of protection, the Board expressed the view that the payment of bounties should no longer form part of the scheme of protection As competition in certain products came almost entirely from U K and in others from U K and the Continent and as it was probable that the future prices would be fairly stable in the former and not in the latter, two scales of duties were proposed (*i*) basic duties fixed with reference to the price of British steel and applicable to all countries and (*ii*) additional duties based on the margin between British and Continental prices and applicable to non-British steel on the ground that they would best serve the interests of the country from all points of view Anti-dumping duties were considered to be impracticable By 1933-34, it was felt that the Indian industry should be able to meet British competition without assistance but not the competition from the Continent The basic duties should remain in force for the whole period of seven years, whereas the additional duties might be altered according to the needs and requirements of the situation The scheme of protection was not only adequate for the existing industry but also afforded scope for expansion The scales of duties recommended involved a distinctly smaller amount of protection, but the low level of duties was justifiable only if the Government arranged to purchase the whole of their requirements of rails so	The Steel Industry (Protection) Act, 1927, was passed extending protection to the industry till 1933-34 and giving power to the Governor-General in Council to increase the duties if protection was rendered ineffective by any change in the price of imported steel All the Board's recommendations were accepted by Government

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
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				far as they could be purchased in India	
				The Board were strongly of the opinion that power should be taken by the Governor-General-in-Council to ensure that proper provision for depreciation was made from time to time	
				FABRICATED STEEL	
				The Board considered it essential in the interest of the Indian industry that railways should encourage the use of Indian structural steel by revising the designs for bridges and other structures so as to permit of the utilization of the maximum amount of steel manufactured in India	
				As a result of the recommendations to a certain extent regarding the duties required on rolled steel, it was proposed that in place of the 25 per cent *ad valorem* duty on fabricated steel, the basic duty should be 17 per cent *ad valoum* and that an additional duty of Rs 13 per ton should be imposed on fabricated steel imported from elsewhere than the United Kingdom	
				The duties proposed were as follows —	

Product	Basic Duty Rs per ton	Additional Duty Rs per ton
Rails 30 lbs per yd and over	13	
Fishplates for above	Revenue duty (minimum Rs 6 per ton)	
Structural sections (including wrought iron)	19	11

Serial No	Date of reference.	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
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Product	Basic Duty Rs per ton	Additional Duty Rs per ton
Bar and rod (including wrought iron) spikes and tiebars, rails under 30 lbs per yard and fishplates for same	26	11
Plates	20	16
Ordinary sheets	35	24
Galvanised sheets	38	
Steel sleepers	10	
Fabricated steel structure	17% *ad valorem* (minimum Rs 22 per ton)	13
Coal tubs and tipping wagons	Ditto	13

TINPLATE INDUSTRY

The Board recommended a reduction of the duty from Rs 85 to Rs 48 per ton

They were unable to support the claim that varieties of tinplate not manufactured in India should be exempt from the protective duty From the economic point of view, discrimination in favour of Wales could not be made since it was with Welsh tinplate that the Indian product had mainly to compete

The period of protection was fixed at seven years

AGRICULTURAL IMPLEMENTS

No recommendation was made because the application for protection was withdrawn

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				WAGONS AND UNDERFRAMES	
14	April 3, 1926	*President* A E Mathias *Member* J Matthai	Wagon Industry	Under the stimulus of the bounty scheme which had been in force, the Wagon industry had made great progress and was now in a position to meet a large proportion of the normal demand As a consequence of the reduction in the cost of raw material but largely of the decrease in costs resulting from large orders for a few standard types of wagons, the wagon manufacturers were able to meet foreign competition with the help of revenue duty only The restriction in the demand for wagons had put the industry in a difficult position Until the demand reached a total of 5,000 in terms of C—2 wagons, all orders should be placed in India by competitive tender from Indian manufacturers COMPONENT PARTS FORGINGS, STEEL CASTINGS AND SPRING STEEL, BOLTS AND NUTS (i) *Forgings* The manufacture of forgings should be regarded at present as merely a process incidental to the construction of wagons and not as a separate industry When the demand became normal the same duty should be imposed on imported forgings as on wagons and underframes During the next few years, orders for forgings should continue to be placed in India as far as possible and in comparing Indian with foreign prices an allowance of 2½ per cent above the revenue duty should be made (ii) *Steel Castings and Spring Steel* The annual demand for steel castings was sufficient to permit of an economic output Therefore the Board considered	Government accepted the findings of the Board

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				that a good case had been made out for protection	
				The best and most economical method of extending help to the industry being by means of a bounty, the Board recommended the payment of a bounty of Rs 2-8-0 per cwt to the Hukumchand Electric Steel Works on all steel castings for railway wagons, underframes and locomotives, subject to a maximum of Rs 1,80,000 during the period October 1st, 1927, to September 30th, 1930, no restriction being placed upon the amount to be paid in any one year	
				The Board had no recommendations to make in respect of spring steel	
				(iii) *Bolts and Nuts*	
				The Board recommended a specific duty of Rs 2 per cwt on all bolts and nuts falling under Article 61 of the Statutory Tariff Schedule	
				WIRE AND WIRE NAIL	
				As wire rod for the manufacture of wire and wire nails would not be produced for another three years, the industry failed to qualify for protection Therefore, the protective duty on wire and wire nails should be discontinued	
15	Oct 2, 1926	*President* P P Ginwala *Members* A E Mathias J Matthai	Match Industry	Tariff Board recommended the continuance of the duty of Rs 1-8-0 per gross without limit to the period of duration and that the duty should be made protective The conditions laid down by the Fiscal Commission were fulfilled	Government of India accepted the findings of the Board that the Match Industry fulfilled the conditions laid down by the Fiscal Commission Government agreed with the recommendation of the Tariff Board and imposed by the Match Industry (Protection) Act, 1928, a protective

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
					duty of Rs 1-8-0 per gross on imported matches without any time limit Government also accepted the finding that in the circumstances no action was called for against the Swedish Match Company on the ground of unfair competition Government noted the Board's recommendation that, should developments indicate that the Company was acquiring undue control to the detriment of Indian industry, they should take steps to safeguard the industry
16	May 26, 1927	*President* A E Mathias *Member* J Matthai	Plywood and Tea Chest Industry	The findings and proposals of the Board were as follows — All the raw materials for the manufacture of plywood and of tea chests were available in India The other conditions of the Fiscal Commission were also satisfied It did not however appear that the manufacture of plywood products other than tea chests required any assistance Owing to severe competition from imported tea chests, there was a danger of the local factories being forced to suspend manufacture unless assistance was given The measure of protection considered necesasry was 9 annas 10 6 pies which would be subject to slight further adjustment The present import duty on all plywood articles other than tea chests and rubber boxes should remain unchanged The duty on fittings of tea chests and rubber boxes and the linings of tea chests should remain unchanged The import duty on plywood panels and battens of tea chests should be abolished A specific export duty of 6 annas 6 pies per 100 lbs of tea exported in foreign chests should be imposed	Government accepted the findings of the Board, but they were unable to approve that protection should be given by an export duty They decided to impose a duty of 30% on all forms of plywood and on the battens and corner pieces of plywood chests, and abolish the drawback

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				Of this sum $4\frac{1}{2}$ annas per 100 lbs of tea might be made over to the Indian Cess Committee and the Cess leviable be reduced by 3 annas per 100 lbs of tea The period of protection should be fixed at 5 years	
17	March 26, 1928	*President* P P Ginwala *Member* J Matthai	Oil Industry	Both the majority and minority reports held that no case for the protection of oil industry was established, and therefore no action was called for	Government of India agreed with the Board that no action need be taken for the time being
18	March 28, 1925	*President* P P Ginwala, *Member* J Matthai	Manufacture of electric wares and cables	The tariff proposals of the Board were that the duty on electrolytic copper rod known as "black rod" be removed and that a duty of 5 per cent be imposed on rubber insulated electrical wires and cables other than those specified in Article 90A	Government accepted only the proposal regarding the duty on rubber insulated wires and cables
19	Do	*President* A E Mathias *Member* J Matthai	Tariff equality in respect of the manufacture of camel hair, cotton and canvas ply belting	COTTON BELTING The 15 per cent *ad valorem* duty on imported black proofing should be abolished and a duty of 5 per cent *ad valorem* should be imposed on imported cotton belting HAIR BELTING The 15 per cent *ad valorem* duty on imported black proofing should be abolished and the duty on imported camel hair yarn should be reduced from 15 per cent to 6 per cent *ad valorem* and a duty of 5 per cent *ad valorem* should be imposed on imported hair belting CANVAS PLY BELTING A duty of 5 per cent *ad valorem* should be imposed on imported ply belting	Government did not accept the Board's proposal to remove the duty on black proofing, but they agreed that the duty on cotton, camel hair and canvas ply belting should be increased They also decided that the duty on imported camel hair yarn should be reduced from 15 per cent to 5 per cent
20	Do.	*President* A E Mathias *Member* J Matthai	Tariff equality in respect of the manufacture of printing type	The Board recommended that a specific duty of one anna per doz should be levied on printing type in place of the existing duty of $2\frac{1}{2}$% *ad valorem*	Government accepted the proposal and made the necessary alterations in the Act

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21	March 28, 1925	*President* P P Ginwala, *Member* J Matthai	Tariff equality in respect of the manufacture of Manila Rope	On grounds of principle as well as of administrative convenience, the Board thought that there was a good case for removing the duty on manilla hemp	On 8th June, 1929, Government issued a resolution accepting the principle but proposed to give effect to it when financial conditions permitted In July 1930, a duty of 15% on a Tariff Valuation of Rs 30 per cwt on raw hemp was imposed
22	May 19, 1927	*President* A E Mathias, *Member* J Matthai	Changes in the Tariff entries regarding printing paper	The Board's view was that the percentage of mechanical wood pulp should be calculated on the fibre content of the paper Newsprint and not on the total weight	Government adopted the Board's view
23	Dec 1, 1930	Do	**Steel rails**	The Board considered that a price of Rs 130 per ton of 90 lb rails was not too high and that an addition of Rs 7 should be made to the price of Rs 130 for 115 lb rails	Government accepted the recommendations about 90 lb rails and as regards 115 lb rails an addition of Rs 10 over and above the price of 90 lb rails
24	May 15, 1930	Do	Tariff equality and protection for railway materials of 8 in number	The recommendations were that a specific duty of Rs 2-4-0 should be levied on fishbolts and nuts, ordinary bolts and nuts and dogspikes and a duty of Rs 2 on rivets and gibs, cotters and keys per cwt As regards chrome steel switches and crossings and stretcher bars, the exemption provided for in the Statutory Schedule should be removed and they should be made liable to the protective duty But in regard to bearing plates, no action was called for	Government accepted the recommendations
25	Sept 30, 1930	*President* A E Mathias *Member* J Matthai	Additional protection for galvanized sheets	It was the opinion of the Board that the Tata Company had made genuine effort to secure the results which were considered feasible Lack of progress was due to causes beyond the control of the Company, *viz*, strike and fall in rail orders on which hinged the scheme of protection Thus the whole balance of the scheme was destroyed and it was of the utmost importance to find a fresh outlet for the ingot steel	Government accepted the Board's finding and in Jan 1931, the Assembly passed a resolution recommending the continuance of the duties mentioned in Government resolution up to 31st March, 1930

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				From that point of view the maintenance of or even an increase in the output of galvanized sheets became a pressing necessity and the Board recommended that the industry should be assisted by the imposition of an additional duty of Rs 37 per ton under section 2 (1) of the Steel Industry (Protection) Act III of 1927 for the remainder of the protective period	
26	March 28, 1925	*President* P P Ginwala *Members* A E Mathias, J Matthai	Removal of the revenue duty on pig iron	The Board's conclusion was that no case had been made out upon which they could base any recommendations for the removal of the revenue duty on pig iron In their opinion, no serious harm would be done to any consumer if the duty was retained until the statutory enquiry in 1933-34	In their resolution dated 13th June, 1930, Government accepted the Board's finding
27	June 10, 1926	*President* F Noyce *Members* Rai Bahadur Harikissen Kaul, N S Subba Rao	Cotton Textile Industry	The main conclusions of both the majority and the minority reports were as follows — The most striking feature in the history of the industry from 1899 to 1922 was the expansion in every direction, especially in weaving Other important features to be noted are the loss of the export trade to Japan, decreasing dominance of Bombay and increasing share of Japan in the import trade The depression was felt more in Bombay than elsewhere and therefore the demand for protection was more insistent in that centre The altered relation between agrarian and general prices since 1920 contributed greatly to the depression The course of American prices was also equally a contributory factor The competition of Japanese yarn affected adversely the prices of Indian yarn In cloths of lower counts, on the other hand, the Indian mills were able to hold their own The same thing could not	On 7th June, 1927, the Government of India issued a Resolution disagreeing with the recommendation of both the majority and the minority reports about the additional duty They also rejected the proposal for a bounty on the spinning of finer counts 32s and higher And they said they were unable to express any opinion until they had ascertained the views of the local Government and of the Cotton Mill Industry in Bombay on the proposed establishment of combined bleaching, dyeing and printing works The removal of the import duty on machinery and raw materials of industry having been in accord with the policy of Government, they agreed with the recommendation of the Board that the import duty on cotton textile machinery and mill stores should be remitted for a period of three years The publication of the above resolution led to strong protests and deputations

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				be said of cloths of counts of 30s and above The depreciation of the Japanese exchange stimulated exports from Japan to India and double-shift working gave the Japanese industry an advantage of 4 per cent Conditions of labour in Japan were inferior to those in India, and, therefore, it was held there was unfair competition between Japan and India The stabilisation of the rupee at 1s 6d at this time rendered the problem presented by the disparity between prices and wages more pronounced Over-capitalisation accentuated the depression Difficulties of finance were not a negligible factor Bombay was under substantial disadvantages as compared with other centres in regard to cost of fuel, power, water, labour, etc , but these appeared to be rather more than off-set by advantages in regard to cost of stores, insurance, office expenses, etc It was impossible to express a definite opinion as to how far foreign competition was a permanent cause of the depression Mills with only spinning departments were hit by the prevailing depression more than others The Board as a whole made many recommendations for improvement in organisation, management and control The most important unanimous recommendation was that Government should contribute towards the establishment of a combined bleaching, dyeing and printing works in Bombay In the opinion of the majority though no justification existed for a differential duty against Japan on the ground of depreciated exchange, a moderate amount of protection both for yarn and cloth was necessitated by the labour conditions in Japan Any additional	to the Viceroy, and the Government modified their decision The result was the Indian Tariff (Cotton Yarn Amendment) Act 1927, under which a duty of 5% *ad valorem* or $1\frac{1}{2}$ annas a pound, whichever was higher, was levied on all imported cotton yarn The industry continued to decline and as a result of Mr G S Hardy's report and Conference with Millowners the Cotton Textile Industry (Protection) Act, 1930, was passed, under which protective duties on a differential basis were imposed on cotton piece-goods for a period of three years

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				duty on yarn was undesirable from the point of view of the handloom industry	
				The fact of unfair competition from Japan having been established, the best way of granting protection to the industry was by the imposition of an additional duty of 4% on all cotton manufactures The question of a differential duty against Japan was considered undesirable	
				There was no justification for an export duty on cotton	
				The concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted	
				A stimulus to the production of goods of higher quality should be provided in the form of a bounty on the spinning of higher counts, 32s and over, to the extent of 15 per cent of the total working spindleage in a mill in British India	
				The appointment of Trade Commissioners in Basra and Mombasa was pressed	
				Before the appointment of a Trade Commissioner, a commercial mission should make a survey of the potentialities of export markets	
				No case had been made out for a special treatment of the hosiery industry	
				While agreeing with most of the recommendations of the majority, the President (Mr Noyce) was of the opinion that there should be no bounty on the spinning of higher counts	
				He also was of the opinion that the fact of unfair competition having been proved against Japan, the additional duty of 4 per cent which was what was required in the shape of protection should be imposed only on cotton piece-goods coming from Japan	

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28	July 25, 1932	*President* Dr J Matthai *Members* F I Rahimtoola, G T Boag	Cotton Industry	The Board recommended that Government should immediately examine the possibility of using their powers under Section 3 (2) of the Tariff Act in the case of piecegoods imported from a country with a depreciated exchange to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian Industry If this was not accepted, then the necessary additional assistance should be provided by raising the *ad valorem* duty on all cotton piecegoods of non-British origin from 31¼ per cent to 50 per cent in view of the Indo-Japanese Trade Convention in existence No proposal was made regarding the specific duty on plain grey goods because it was thought that Section 3 (5) of the Tariff Act restricted the power of the Governor-General	Government accepted the Board's recommendation in respect of the *ad valorem* duty on cotton piecegoods not of British manufacture As regards the specific duty, Government decided that the Governor-General-in-Council had power to alter the duty and raised accordingly the duty from 3½ annas to 5¼ annas per lb
29	April 9, 1932	*President* J Matthai *Members* F I Rahimtoola G T Boag	Cotton Industry	The Tariff Board found an increase in the number of mills at work in India as also in the production of both yarn and piecegoods The decline in the imports of yarn and piecegoods of all description was also noticeable There was a serious falling off in the export trade in coloured goods since 1926-27 The claim to substantive protection of an industry must be judged both by the conditions laid down by the Fiscal Commission and by the national importance of the industry India had a virtual monopoly of short staple cotton and also produced enough long staple cotton to meet the country's requirements Majority of mills in India would find it impossible, without protection, to realise any return on capital or to find adequate sums for depreciation and in many cases	On February 10, 1934, a Bill for amending the Cotton Textile Industry (Protection) Act, 1930, was introduced The Government of India agreed with the Board's conclusion that the Cotton Textile Industry had established a claim to substantive protection, but they found it necessary to review the measures of protection in the light of events subsequent to the submission of the report by the Board The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between representatives of the Indian and United Kingdom Textile Industry had introduced entirely new factors into the situation The Bill was intended to give statutory effect to the aforementioned agreements Opportunity was also taken by Government to in-

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				even to meet the whole of their out-of-pocket expenses Continued depression of the industry in Bombay was bound to depress prices throughout the country The introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than the fall in the prices of raw cotton The reduction of purchasing power diverted the demand from high-priced to low-priced goods The withdrawal of protection would cause a serious set back to the industry The only practicable method of fixing the measure of protection was to base it on the difference between the fair-selling price and the price actually realised by the Indian mill Effective protection could only be given by specific duties	corporate into the Bill their decisions on the recommendations of the Board on the Sericultural industry
				Any system of specific duties should be based on as broad a classification as possible It would be unnecessary to have more classes than four, (1) plain grey, (2) bordered grey, (3) bleached, (4) printed, dyed and coloured woven with duties of 5 annas, 5 annas 3 pies, 6 annas and 6 annas 4 pies per lb , respectively, or the *ad valorem* rate of revenue duty whichever was higher	
				The *ad valorem* duty was intended to protect the revenue of Government	
				The specific duties proposed would be applicable to cotton goods of British and non-British manufacture	
				A reduction of the specific duty on yarn to one anna a pound and its restriction to counts 50s and below was recommended	
				The claim to protection of subsidiary industries such as hosiery industry and braid-making industry was analogous with that of the engineering and other industries whose raw material is rolled steel	

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				The Board recommended that protection be given by (1) a specific duty of Re 1-8-0 a dozen on underwear including knitted garments of all descriptions and underwear made from woven fabrics, (2) by a specific duty of 8 annas a dozen pairs on socks and stockings, (3) by a specific duty of 6 annas a pound on knitted fabrics in the piece and (4) by a specific duty of 6½ annas a pound on braids known as "Ghoonsis" or "Muktakesis"	
				Piecegoods made entirely or in part of artificial silk should be subject to a specific duty of Re 1-8-0 a lb But if the proportion of artificial silk in the mixture did not exceed 15 per cent of the total weight, the goods should be assessed as coloured cotton piecegoods or woolen manufactures	
				A duty of 15 per cent should be imposed on all imported starch	
				It was considered desirable that the Merchandise Marks Act should be amended without delay so as to penalise dishonest practices	
				Legislation was desirable in order to define the extent and nature of the control and supervision to be exercised by the directors and shareholders over managing agents A Committee should be appointed to report on the manner in which the Company Law should be amended	
30	Dec 3, 1932	*President* F I Rahimtoola *Members* G T Boag, H R Batheja	Sericultural Industry	The Board rcommended an *ad valorem* duty of 80 per cent on silk goods and 60 per cent on silk mixtures They also recommended that all silk yarns including thrown silk and spun silk be liable to the duty recommended for raw silk, and that a specific duty of Re 1 a pound be levied on artificial silk yarn	Government action was embodied in the Textile Industry (Protection) Act, 1934

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31	May 20, 1930	*President* A E Mathias *Members* J Matthai, F I Rahimtoola	Sugar Industry	The Board was satisfied that the three conditions laid down by the Fiscal Commission were fulfilled by the Sugar Industry and that a case for protection had been established The agricultural aspect of the case for protection was the most important In the national interests, the area under sugarcane should not diminish and a fresh outlet should be provided for cane by encouraging the expansion of the white sugar industry Unless steps were taken to develop the white sugar industry, the Board was of opinion a disastrous slump in the gur market was probable which would seriously affect the agricultural classes, disorganise the agricultural system and involve the abandonment of better cane cultivation in large areas The khandsari system of sugar manufacture was of great importance in the Rohilkhand tract Both from the point of view of outlet for cane and from the point of view of the position of cultivators in Rohilkhand, the continuance of this branch of industry must be secured The area under cane in India over a series of years had remained very steady The main product of sugarcane in India was gur, or which between 2½ and 3 million tons were consumed annually There were as many as 29 factories capable of manufacturing white sugar direct from cane and there were also 14 refineries which manufactured white sugar mainly from gur There was a remarkable increase in the efficiency of extraction of Indian factories since 1920 Much progress was made in the last ten years at the Sugar Research Station at Coimbatore and a number of varieties had been evolved which were particularly suitable for Northern India	The Government of India accepted the recommendation of the Board that a single rate of duty should apply to all classes of sugar As the period of 15 years was considered to be unduly long, it was decided to propose that a protective duty of Rs 7-4-0 per cwt be imposed on all classes of sugar until 31st of March, 1938, and that provision be made in the statute for a further enquiry before the end of that period The Government did not propose to accept the Board's recommendation that power should be taken to impose an additional duty in the event of the price of imported sugar falling below a certain level The Board's recommendation regarding the duty on molasses was accepted A resolution embodying the above decision sof Government was issued on 30th January, 1932, and the Sugar Industry (Protection) Act received the assent of the Governor-General on 8th April, 1932

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				Steps should be taken to reduce the cost of production of gur particularly in Bombay and Madras by the improvement of methods of cultivation and by the introduction of improved varieties of cane after investigation at the Research Station at Coimbatore	
				Sugarcane was the only important agricultural product, the price of which was not determined by world conditions and Government had it in their power at this time of severe agricultural depression to afford substantial assistance to the agricultural classes by protecting the sugar industry	
				Any scheme of bounties was on administrative grounds impracticable	
				The Board therefore proposed that assistance should be by way of duty In order to enable the industry to face initial difficulties and to safeguard the position of the manufacturer of indigenous sugar by the bel method, the Board recommended that for the first seven years the duty should be fixed at Rs 7-4-0 per cwt and that for the next eight years at Rs 6-4-0 per cwt, the period of protection being for 15 years	
				The Board also proposed that a single rate of duty should be applied to all classes of sugar including sugarcandy	
				They had no recommendations to make regarding the application of Messrs Carew & Co, for the removal of tariff inequality on methylated spirit	
				Protection was unlikely to affect seriously the industries using sugar	
				Increased sums should be allotted to development and research work since without such measures the whole purpose of the protective scheme was likely to be delayed, if not defeated They recommended a grant of not less than Rs 10 lakhs annually to the Imperial Council of Agricultural Research	

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				The Tariff Board considered the scale for cane payment recommended by the Indian Sugar Committee, *viz*, a sliding scale based on price for cane equal to half the price of sugar subject to a minimum of 6 annas per maund as generally suitable, but they thought that it should be increased by one anna per maund in the first years of protection	
32	July 25, 1929	*President* Sir P P Ginwala up to 26-3-30 A E Mathias from 27th March, 1930 *Members* A E Mathias up to 26-3-30 Dr J Matthai	Salt Industry	Tariff Board held that it would be necessary to increase the duty from Re 1-4-0 to Re 1-6-0 per maund to bring the import price of Rs 53 to the level of the fair selling price of Rs 66 for the Indian industry This would involve an additional burden of nearly Rs 20 lakhs on the Bengal consumer Considering the limited extent to which the national interests would be served by the establishment of salt industry at Okha or Karachi, to expect the Bengal consumer to shoulder a burden of this magnitude would be entirely unreasonable, but a different conclusion might be reached if there was a reasonable prospect of securing stability of price On economic grounds the case for the imposition of a protective duty could not be sustained Nor could the proposal for any remission of the excise duty be justified Maintenance of quality could not be guaranteed either by the imposition of duty or by the grant of bounty Their conclusion was that it was not in the national interests to encourage the production of Indian seaborne salt at anything more than a price of Rs 66 per	The Government of India accepted the finding of the Board and appointed a Salt Survey Committee After considering that report the Salt (Additional Import Duty) Act 1931 was passed and it received the assent of the Governor-General on 5th April 1931 An additional duty of 4 annas 6 pies per maund was imposed under that Act on all salt imported into British India but produced outside India

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				100 maunds and the only method of encouragement which could be recommended was stabilization of prices over a long period by some form of organized control	
				The Board held that India could be made self-supporting in respect of salt Khewra and Sambher provided sources of supply of white crushed salt for the Bengal market Therefore, they recommended that a detailed survey should be made of these possible sources	
				As in the case of seaborne salt, so in the case of rail-borne salt, they thought, if the manufacture of white crushed salt was to be encouraged in India, the only ultimate solution was the introduction of some form of organised control	
				The advantages of such a control were many In the first place, the Indian manufacturer would get a reasonable price which would also be fair to the consumer In the second place, exploitation by combines of foreign manufacturers could be stopped In the third place, Government would have an additional source of supply to make good shortages in Upper India	
				The control must ultimately be in the hands of a Marketing Board constituted on the lines of a public utility company But Government should at once assume control of imported salt in the interests of the industry as well as the consumer and standardise the qualities of common crushed and super fine salt	

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33	July 16, 1928	*President* Sir P P Ginwala *Members* A E Mathias, J Matthai	Heavy Chemical Industry	The Tariff Board took the sulphuric (Chamber) acid as the basis of the whole group of chemicals considered in their report The heavy sea freight on acids afforded a high natural protection to the manufacture of sulphuric, hydrochloric and nitric acids locally, but as there was no freight advantage in respect of salts, their manufacture in competition with other highly developed countries was difficult The market in the country was sufficiently big to warrant production on an economic scale The machinery required was simple and easily handled by Indian labour In respect of raw materials, though India possessed several of those required, sulphur which was the most important raw material was lacking, but its absence was not considered a bar to the grant of protection The chemical industry was a key industry and one of national importance and therefore the Board considered that the industry should be protected At the moment, the production being on a small scale, the costs were high and could not be accepted as a suitable basis for protection The industry should reorganise itself and attain bigger production so as to bring down the cost of production The protection required should be given in the form of specific duties which represented substantially the present level of revenue duties The inter-connection of the various duties suggested was emphasised No limit was fixed to the period of protection, but another enquiry should be made after 7 years Realising the close connection between the chemical industry and the manufacture of artificial fertilisers, the Board held that the manufacture of superphosphate	In a resolution issued on 5th September, 1931, the Government of India proposed to give effect to the protective duties recommended by the Board for the period up to 31st March, 1933 They did not agree with the Board in the matter of railway rating policy They also thought that the question of assisting an industry not yet in existence by means of a bounty required further consideration In the same resolution the Government of India said that they were prepared to discuss with representatives of the Chemical industry the question of developing the industry Again in a resolution issued on the 1st April, 1933, summarising the position of the industry, the Government of India said that there was no indication of any intention on the part of chemical manufacturers to work for more economic production by a combination of interests, that the great majority of opinions were unfavourable to any scheme of State assistance for the manufacture of superphosphate and that there was no chance at any time of the superphosphate industry, if started, being able to stand competition from other countries unassisted The Government of India, therefore, finally decided not to place any proposals before the Legislature for the continuance of protection of the Heavy Chemical Industry The protective duty on magnesium chloride, however, would remain unaffected till March, 1939

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				was a suitable industry for the grant of protection, which should take the form of a bounty On a careful examination of the question the Board found that a policy of reduction of railway freights with a view to facilitate the formation of a combine would be not merely in the national interests but also in the interests of railways themselves	
34	July 16, 1928	*President* Sir P P Ginwala *Members* A E Mathias J Matthai	Magnesium Chloride Industry	The Board recommended the imposition of a specific duty of 7 annas a cwt for 7 years	The Government of India accepted the recommendation and imposed the duty in 1931
35	March 26, 1931	*President* J Matthai *Members* F I Rahimtoola G T Boag	Paper and Paper Pulp Industries	The main recommendations made by the Board were as follows (1) Protection to the bamboo paper and pulp industry should be continued by means of a duty (2) The duty on imported paper should be imposed at the same rate and on the same articles as at present (3) A duty should be imposed on imported wood pulp at the rate of Rs 45 per ton (4) The protective duties on paper and pulp should remain in force for a period of seven years from the 1st April, 1932 (5) A conference should be held with representatives of the different interests to decide the proper definition of the classes of paper to be subject to the protective duty (6) Compliance by the paper-making companies with the principles stated in para 292 of the Fiscal Commission's report should be made a condition precedent to the grant of concessions for the exploitation of forests and to purchases of paper by Government	Government accepted the proposals of the Board regarding the duties to be imposed on various kinds of paper and also on pulp The period of protection fixed by the Board was also approved The Conference proposal made by the Board for the definition of articles chargeable with protective duty did not receive the assent of Government The conditions laid down in paragraph 292 of the Fiscal Commission's report would, it was explained by Government, apply only to new companies and not to companies already in existence at the time of the consideration of the question of granting assistance The Bamboo Paper Industry (Protection) Act was passed in 1932

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				(7) The Paper Pulp Section of the Forest Research Institute should be developed and should undertake co-ordination of experimental work on bamboo	
36	May 15, 1930	*President* A E Mathias, *Member* J Matthai	Gold Thread Industry	The Board considered that a case had been made out for the protection of the gold thread industry and recommended that the duty should be fixed at 50 per cent *ad valorem* applying alike to real gold thread, lametta, manufactures from silver wire such as spirals, spangles, etc, and all colourable imitations They also recommended the period of protection to be fixed at 10 years	The Government accepted the findings of the Board and the Gold Thread Industry (Protection) Act came into force in 1931 The duty applicable to the various articles mentioned by the Board was $62\frac{1}{2}$ per cent *ad valorem*
37	May 7, 1931	*President* J Matthai *Members* F I Rahimtoola, G T Boag	Wire and Wire Nail Industry	The Board recommended a specific duty of Rs 45 per ton on wire as well as wire nails They also considered that the existing arrangements for exempting wire rod from duty should be continued	Government accepted the finding of the Tariff Board and imposed a duty of Rs 45 per ton by the Wire and Wire Nail Industry (Protection) Act, 1932
38	May 11, 1931	*President* J Matthai *Members* F I Rahimtoola G T Boag	Electric Wires and Cables Industry	The Board found that the industry did not satisfy the conditions laid down by the Fiscal Commission and, therefore, had no recommendations to make, regarding the application for protection submitted by the Indian Cable Company	Government accepted the finding of the Board

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40	Aug 26, 1933	*President* J Mathai *Members* G Wiles, G A Natesan	Steel Industry	The main conclusion of the Board was that the 1926 Scheme of protection had proved successful and that the expected reduction in past had been effected and that the stage has arrived when "on all articles sold by the Steel Company in competition with Britain imports either more protection duty is required at all, or if any one required the rates are lowered than the normal rates of revenue duty" The Board also added that, if continental steel products were sold at fair prices the Indian industry could well stand the competition and that the duties on Continental goods which were needed were more in the nature of anti-dumping than protecting duties	
				The Board recommended a duty of Rs 43 per ton on the imports of untested structurals from the continent, Rs 10 per ton on British bars (tested), Rs 39 per ton on continental untested bars, Rs 25 per ton on untested plates from the continent On rails, fish plates, structurals and tested plates from United Kingdom, the Board recommended no duties On Blacksheets (tested) from U K the Board recommended Rs 11 per ton and Rs 32 per ton on untested Blacksheets from the Continent Galvanised sheets were recommended for an import duty of Rs 10 per ton irrespective of the country of origin On imports of fabricated steel from countries other than Great Britain, a duty of Rs 40 per ton was recommended As regards tinplates, the Board	The Government of India accepted the conclusion of the Tariff Board but preferred equalising duties to the removal of the revenue duties on the imports

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				favoured a duty of Rs 38 per ton on the British product and Rs 57 per ton on the continental On imports of wire nails Rs 25 on the British goods and Rs 60 on the foreign A duty of Rs 57-8 per ton is recommended on imports of cast iron pipes from foreign countries, while the British goods were to be duty free	
				The more important part of the Tariff Board Report is the recommendation that even the revenue duties on rails and tested structurals and plates should be removed or in the alternative countervailing excise duties should be levied on internal production	
41	11th May, 1931	*President* J Matthai *Members* F I Rahimtoolah G T Boag	Glass Industry	(i) Sheet and Plate glass including figured and ribbed glass—Rs 4 per 100 sq ft or 25 per cent *advalorem* whichever is higher	The report submitted in 1932 was released for publication only in 1934
				(ii) Bangles, beads and false pearls—50 per cent *ad valorem*	
				(iii) Glass and glassware of the kinds specified below—50 per cent *ad valorem*	
				(a) Containers other than those containing merchandise packed according to ordinary trade usage—bottles and phials of all descriptions including soda and other aerated water bottles , jars of all kinds including stopped jars	
				(b) Illuminating ware—Chimneys , globes , shades , chandeliers , domes lamps wholly or partly made of glass	

Serial No 1	Date of reference 2	Personnel 3	Subject of Enquiry 4	Recommendations by Tariff Board 5	Action taken by Government 6
				(c) Table and domestic ware—Tumblers and jugs, dishes, bowls, plates, decanters, stands, vases, wine glasses, ink stands, paper weights, ash trays, pepper, salt and winegar bottles (d) Miscellaneous Tables roofing and floor	The Government rejected the recommendations of the Board and have only allowed a rebate of duty on important soda-ash used by the glass industry if the same is imported by a British country
				Carbon Brushes The Board concluded that as carbon blocks are subject to a duty of 25% *ad valorem*, carbon brushes are charged only at the rate of 10%, Tariff inequality exists and that the duty should be reduced to 19% in order to remove such inequality The Board recommended an even lower rate of 15% to make up for other handicap	The Government accepted the conclusion of the Board and proposed to effect a reduction in duty by notification under section 23 of Sea Cusoms Act after discussion in the Assembly
				Healds and Reeds The Board concluded that Tariff inequality exists also in the case of Healds and Reeds and recommended that the duty on healds and reeds should be raised from 10% to 15%	The Government of India declined to accept the conclusions of the Board on the ground that the use of imported yarn for the manufacturing of healds and reeds can make up for the higher cost of other raw material
42	May 25, 1935	*President* F I Rahimtoolah *Member* H R Batheja	Classification of paper	Hard-sized duplicator, hard-sized White and Buff or Badami mechanical paper, suitable for writing, to be classed as Writings Cover paper, whether white or coloured, in any furnish, Machine Glazed Pressings, and Machine Glazed Wrappings (suitable for use as Cover paper), substance above 85 2 grammes per square metre, Cartridge Paper, whether white or coloured, substance below 85 2 grammes per square metre, Soft-sized Duplicator paper, Soft-sized White and Buff or Badami Mechanical paper above 26 6 grammes per square metre, to be treated as Printing papers Envelopes made of writing paper to be assessed under Item 44 (3) (a) of the Tariff Schedule	The Government of India accepted the recommendation of the Board generally, but considered that such of them as required to be given effect to by legislation, viz the recommendations in respect of envelopes and coated papers, were not so important as to justify the introduction of a bill specially for that purpose Government, therefore, have proposed to place proposals to implement them before the Legislature Regarding other recommendations of the Board, executive instructions have been issued to the Customs Department Government also decided to hold a departmental enquiry as to whether the continuance of the surcharge on the Paper Protective duties is any longer justifiable

Serial No	Date of reference	Personnel	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
43	June 25, 1936	*President* Sir Alexander Murray *Members* Mr F I Rahimtolla, Dewan Bahadur A Ramasami Mudaliar	Cotton Textile Tariff To review and recommend the level of the duties neccessary to afford adequate protection to the Indian cotton textile industry against imports for the U K	The report recommended the reduction of the duty on grey goods from 25 per cent to 20 per cent ad valorem and the duty on bordered grey bleached and coloured goods to 20 per cent The duty on yarn was reduced similarly to 5 per cent ad valorem	Given effect to immediately by a notification under Sec 4 of the Indian Tariff Act
44	March 1937	*President* Sir G T H Bracken *Members* Mr F I Rahimtoola and Dr L C Jain	Sugar Protection	To report upon the renewal of the protective duties to lapse in 1938	The Tariff Bard's report was published in 1939 The report favoured the stablization of the import duty at Rs 9-4 per cwt The Government of India decided that a further inquiry should be instituted after two years and reduced the import duty by As 8 per cwt having regard to the threatened shortage of domestic supplies
45	October 1937	*President* Sir G T H Bracken *Members* F I Rahimtoola	Import duties on Paper	The interim report recommended the abolition of the surcharges on the port duties and the revision of the duties on newsprint and mechanical pulp Final Report to be submitted later	The Tariff Board reported in favour of the continuance of protection for a further term of 7 years, with the import duty at 11 pies per lb inctead of 15 pies per lb inclusive of the surcharge The reduction of the duty was accepted by the Government but the Legislative Assembly pronounced in favour of a longer term the duty being fixed at 10 pies per lb The import duty on mechanical pulp has been retained though not at the rate of Rs 35 per ton or 25 per cent *ad valorem* as desired by the Tariff Board

	Date of reference		Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
46	June 1938	*President* N J Roughton *Members* F I Rahimtoola and N N Anklesaria	Sericultural Industry	Inquiry concluded Report not issued	
47	Dec 1937	Sir Geoffrey Bracken Mr F I Rahimtoola	Magnesium Chloride Industry	The Tariff Board's report recommended the grant of protection for a further term, but the duty was to be reduced to 15 annas per cwt instead of Re 1-5-0 as before Provision to be made for the imposition of an additional duty should the c i f price of imported magnesium chloride fall below Re 1-8-0 per cwt	Renewal of Protection after lapse of duty in March 1939

INDUSTRIAL SECTION:

THE INDIAN COAL INDUSTRY

In importance, the coal industry in India can hardly compare with cotton, or jute, or with the pure agricultural staples In both raw cotton and cotton goods our production is a substantial portion of the world output, in jute we have a practical monopoly, and the agricultural staples have a significance in the national economy apart from, and independent of, their relation to the output, and markets of the rest of the world But in coal our annual production is an average of 20 million tons, out of a world production of about 1,250 million tons The industry in India has comparatively less capital invested in it, and the chief collieries are confined to the provinces of Bengal and Bihar and Orissa Yet, it is one of the most important industries, one in which the public can never afford to take a mere lukewarm interest First, the welfare of the local industry, though it fills a smaller place in the whole of India, is of vital importance to Bengal, Bihar and Orissa Secondly, coal is by every criterion a key industry A good supply of coal is one of the basic conditions of industrial progress Our vast railway system would be unworkable without a well-worked coal industry So would a coastal marine be when it is evolved by our nationals

ECONOMICS OF COAL-MINING

Before we examine the position of our coal industry, it would be well to delineate some of the peculiarities of the economics of coal production Coal, like other minerals, does not possess the adaptability of agriculture A coal mine cannot be turned, when the price is not adequate, to any alternative production as, for instance, many agricultural farms or some industrial plants may be Secondly, there is a preponderance of fixed capital and labour charges in the coal industry, and this tends to make a state of idleness more costly than production at a loss Thirdly, a coal mine is subject to the law of diminishing returns or increasing costs very much more than other industries The complete extinction of the mine is not a remote possibility but the definite end, and has to be taken into consideration in determining costs, prices and profits Differential costs are both common and high, and prices may often be determined by the mine which is more advantageously situated Another important point is that coal is not a simple product of uniform quality One class is suitable for coking, another as steam coal and a third for household purposes But they do not fall into separate non-competitive categories, and prices move in sympathy In other words, quality excepted, prices find their level And lastly, demand for coal is more or less inelastic, a fall in price does not induce an increase in demand All these show how difficult it is for the coal industry to devise a remedy when it is afflicted with over-production caused either by increased output or, for some reason, a fall in demand

WORLD COAL

We may now turn to sketch briefly the features and changes in recent years of the world's coal industry The remarkable feature of the coal industry of the world is that out of a production of 1,217 million metric tons in 1913, 517 million tons were produced in U S A and 605 million tons in Europe So that, so far as the position of the world's coal industry is concerned, the rest of the world can hardly be said to count Of the total European output, 292 million tons were produced in Great Britain, and 190 million tons in Germany The other important producers were France 40 million tons, and Belgium 23 million tons Between 1888 and 1913 world output had increased by nearly 200 per cent This was the period of the most rapid progress in industrialisation, particularly, in U S A and Germany In U S A the increase was approximately 300 per cent, in Germany 200 per cent, and Great Britain which, coal like other industries suffered from disorganisation By 1924, there was a fair recovery and a resumption of the onward march In 1927, the output of coal exceeded the pre-War output

At this time, there came two important developments which affected the position of the British coal industry in a very serious way The Saar region was placed under the terms of the Peace Treaty under separate control and the greater part of the Eastern coalfield was transferred to the new state of Poland At the present time there are three countries which export more coal than they import—Great Britain, Germany and Poland And their competition is intensified because world demand for coal has not kept pace with world production Not only has there been a big increase in production, but the need for coal has been reduced by the increased competition of lignite on the Continent, the growing use of oil in ocean and land transport, and of gas and electricity in the homes and factories and lastly the enhanced efficiency of steam-raising

INDIA'S COALFIELDS

Raneegunge and Jharia are the best-known coal fields in India They account for about 90 per cent of the total production and the rest are raised in other fields some of which lie not only outside the provinces of Bengal, Bihar and Orissa, but also in the Native States Raneegunge which produced 6 5 million tons in 1930, is situated in Bengal and was opened up in 1820 Jharia which yielded 9 7 million tons in the same year was started in 1893 The

THE FOLLOWING TABLE WILL SHOW THE CHANGES IN THE DISTRIBUTION OF COAL PRODUCTION AMONG THE PRINCIPAL COUNTRIES

Coal Production

(In Metric Tons 000's omitted)

Countries	1930	1931	1932	1933	1934	1935	1936	1937
Total world production	1,176,722	1,029,840	911,316	953,856	1,024,036	1,072,320*	1,274,487	1,222,708
Germany	142,704	118,644	104,736	109,920	124,860	143,016	158,380	184,526
France	53,880	48,004	46,272	46,872	47,538	46,2124	45,227	44,321
India	23,124	21,024	18,972	18,312	20,436	1,130	20,833	22,570
Japan	31,380	27,984	28,056	30,048	35,928	34,908	38,064	24,098
Netherlands	12,216	12,900	12,756	12,576	12,336	11,880	14,802	14,321
Poland	37,512	38,268	28,836	27,396	29,232	28,740	29,746	36,217
United Kingdom	247,800	222,984	212,604	210,300	224,496	236,524	232,141	245,053
U S S R	47,052	53,544	62,532	72,240	93,504	103,824	120,897	122,530

* Provisional (†) Transferred to Germany since 1935

other fields are of comparatively recent origin Joint stock coal companies have invested more than Rs 12 crores in the industry, and there is besides a small knot of coalfields owned by the railways for which details of capital are not available Though Raneegunge and Jharia tower over all the rest of the coalfields in India, the progress made by the latter is by no means insignificant It would be well, before we proceed to sketch the recent history and the present problems of the Indian coal trade, to have a short sketch of the distribution of the coalfields and to afford some data for an estimate of their value and importance The Raneegunge fields cover an area of about 500 square miles spread over the districts of Burdwan, Bankura, Manbhoom and the Santal Pargannas The Raneegunge fields are very favourably situated for the export trade, the freight in their case to Calcutta being very much less than from the other fields The more important seams are Dishergarh, Poniati, and Sanctoria, the next class is presented by Ghusick, Koithi, Chanch, Salanpur, "A" Samla, Kajora and Jambad As the Raneegunge fields were opened up as early as 1820, the raising costs are distinctly higher

The Jharia field comprises an area of 150 square miles It contains 18 seams of coal The trade distinguishes 18 classes of its output of which the last 9 are considered to be very poor Operations were commenced in 1893 The Bokaro field has an area of 200 square miles It is worked chiefly by the various Indian railways and its output in 1930 was 1 6 million tons The working is easy and cheap and the total resources of this field are estimated to be over 1,000 million tons of coal of first-rate quality

The Karanpura field, which falls into 2 divisions, North Karanpura and South Karanpura with areas respectively of 472 square miles and 72 square miles, contains thousands of million tons of coal, though of somewhat poor quality This field may prove in the future to be more profitable as it is having increasing transport facilities and the actual working may be more easy and less costly than fields similarly situated

The Giridih field is controlled by the East Indian Railway for their own needs It is seven square miles in area and the coal is accounted to be of the best quality The coalfields in the Central Provinces have been worked only lately

The Pench Valley and Kanhan fields are fortunate in having a good transport service from the G I P and the B N Rlys In common with the Chanda fields they find a ready market for loco and mill use The Central India fields lie to the East of the Katni-Bilaspur section of the B N Rly and a railway line has been projected to facilitate the opening up of large deposits of coal in this region

The Rewa State contains an area which has a convenient market near to it in the Lime and Cement factories in the Katni district Burhar is situated in the same State and has an annual output of about a lakh of tons

Korea which lies in the Native State of the same name contains high-class coal and it is being developed

The Talcher field is worked by the B N and M & S M Rlys Its development will grow with the new port of Vizagapatam, and the future may show it to be advantageously situated both in regard to S India as well as some of the ports of the South East of India

The Assam field is practically marked out for the railways of Eastern Bengal, and Assam, the steamers navigating the rivers of that area and the tea gardens in neighbouring districts The product is of high quality and the mines are worked by adits driven into the hillside

OUTPUT & MARKETS

Independent of the fluctuations in the fortunes of coal companies, the output of coal in India has gone ahead, as may be seen from the following two tables giving the figures of

production for the last thirteen years and for the last five decades

Production Year by Year

Year	(In thousands of Tons)
1920-21	17,962
1921-22	19,304
1922-23	19,010
1923-24	19,657
1924 25	21,177
1925-26	20,900
1926-27	20,999
1927-28	22,082
1928 29	22,543
1929-30	22,375
1930-31	22,714
1931-32	19,513
1932-33	18,064
1933 34	18,218
1934-35	20,846
1935-36	20,875
1936-37	20 064
1937 38	23,479

Production at the end of each decade

	Tons
1880	1,019,793
1890	2,168,521
1900	6,118,692
1910	12,047,416
1920	17,962,214
1930	23,803 048
1937	23,479,000

The imports and exports of coal into and from India are given below

EXPORTS OF COAL.

(Quantity in Tons)

	1935-36	1936-37	1937-38*	1938-39
United Kingdom				
Ceylon	132,618	202,884	364,228	254,512
S S	16,589	18,308	43,023	7,056
Hongkong etc	41,270		13,354	67,361
Other countries	7,548	28,334	585,294	989,039
Total	198,025	249,526	1,005,899	1 317,968
Coke	1,799	1,419	22,675	23,371
	199,824	250,945	1,028,574	1,341,339

IMPORTS OF COAL

(Quantity in Tons)

	1935-36	1936-37	1937 38*	1938-39
United Kingdom	10,291	17,377	31,637	3,439
Union of South Africa	19,203	37,415	28,826	37,487
Australia	5,287	2,391	2,468	724
Other Countries	24,656	17,740	19,919	
Total	59,457	74,923	82,850	41,650
Coke	16,454	17,228	1,069	2,100
				43,750

*Excluding Burma

The channels of consumption for this supply of coal are indicated in the following table which gives the figures for three years

(In Thousands of Tons)

	1936	1935	1934	1932
Railways	7,482	7,293	7,126	6,683
Port Trusts	127	135	145	143
Bunker Coal	990	1,020	944	967
Admiralty and Indian Marine	27	29	28	30
Inland Steamers	567	551	577	586
Jute Mills	754	653	658	656
Cotton Mills	1,697	1,331	1,600	1,547
Iron and Brass Foundries	5,681	5,583	4,657	4,092
Tea Gardens	191	186	189	187
Consumption in collieries and wastage	1,198	1,220	1,169	1,979
Brick and Tile Manufacture	858	792	709	644
Paper Mills	188	171	249	162
Balance available for other forms	2,759	3,712	3,788	1,778
Total	22,510	22,872	21,799	19,428

It will be seen from the above that the chief consumers, not to speak of the collieries themselves, are, in their order, the Railways of India, the Iron and Brass Foundries, Cotton mills, Bunker coal, Brick and Tile manufacture It is equally obvious that the fundamental condition of the growth of the coal industry, a vast and widespread industrialisation, is lacking And even within the narrow limits indicated by the figures cited above, elements of unsettlement have been rife especially during the last one decade after the War The railways, who form the chief consumer of Indian coal have acquired and been working their own coal mines Objection has been taken to this development on the ground that as the railways are owned by the State, the establishment of railway collieries would mean an unjustifiable and unwarranted encroachment of the State into the sphere of private industry It is of course, contended in reply that as the railways are commercial enterprises, they must have freedom to develop their business interests and devise combination of a vertical nature, if they deem it profitable to do so The railway collieries have been developed in the face of natural opposition , but with the Government had at one stage shown themselves more sympathetic to the appeals of the trade regarding the working of the collieries

THREAT OF ELECTRIFICATION

Apart from the existence of railway collieries there are other factors which affect the welfare of the coal industry in India The most important of these is the electrification of the suburban railways But while this factor may create a temporary disturbance to the market and some concern to the collieries, it is no permanent threat to the coal industry as a whole

The Bombay cotton mill industry is the next channel of consumption which offers a

frequent threat of silting up In this market, too, there appears on a somewhat larger scale the danger which was mentioned in regard to the railways Mills and factories are worked more and more by oil or electricity, and the prospects of coal consumption in Bombay must be less But it is not, of course, to be expected that the change from coal to oil or electricity will be sudden or on a large scale And in the worst circumstances Bombay must be a market which Bengal or other Indian coal can hardly afford to despise

INDIAN VS SOUTH AFRICAN COAL

But in Bombay, Indian coal has to meet with the powerful competition of South African coal In that country the coal trade and the Government work in closest co-operation The Railways are State-owned, and bounties are best given in the shape of railway freights which have no relation to the economic rates It has become almost the established custom in South Africa to have one rate for the internal movement of coal, another for coal intended to be bunkered and a third, which is the lowest, for coal exported to foreign countries like India, Ceylon, Sumatra, etc In consideration of this fact the Indian Coal Committee of 1925, recommended an increase of 50 per cent in the rebate on railway freights for coal for shipment, and the acceptance of this recommendation meant a reduction of annas eleven in the cost of transporting coal to Bombay and Karachi But there is one important circumstance, which it is difficult to provide against And it is that coal from the United Kingdom or South Africa is carried practically in ballast Steamers expect, and do get, valuable cargo from Calcutta, Bombay and Karachi, and while proceeding to pick up such cargo they can afford to take cargo at rates which by themselves would seem to be uneconomic Such advantages are for the same reason denied to coal going from Calcutta, and in this sense, the export of our precious raw materials may be said to inflict a double injury

The other Indian ports offer no considerable demand for Indian coal The industrial needs of the interior of the country are being met from the coal fields near at hand This development has been helped by the fact that the growing technique of industry has enabled the use of low grade coal where formerly only the best coals were suitable And the Government of India increased the freights on coal other than those intended for export or bunkering by 15 per cent as from January 15, 1932 The cumulative effect of all these developments was that Bengal coal was cut off more and more from the interior and thrown on the so-called export markets

LOSS OF FOREIGN MARKETS

The foreign markets have for long been the weakest spot of the Indian coal trade It is here that the trade has suffered the worst vicissitudes Though the surplus of production over internal consumption is not very high, the disposal of this surplus at remunerative rates is of vital importance to the whole industry Disturbance in the foreign markets deepens into depression at home and the export trade has, therefore, been the concern of the collieries and the Government It is necessary in an examination of this subject to realise that all the coal passing through the port of Calcutta is not intended for the foreign markets, a part of it is for bunkering, a part for the Indian ports and only the remainder goes to the foreign markets The exports of Indian coal began to be of importance only in the five years ending 1900 when they averaged 30,500 tons annually For the pre-War period the peak was reached in 1906 with an export of a little over a million tons, and for the decade ending 1915, the annual average was slightly about three quarters of a million ton It was only two years after the war in 1917, that exports began to be affected through the shortage of shipping which obtained at that time throughout the world In 1918, the lowest point was reached with 74,000 tons The end of the war helped a rapid recovery and 1920 saw exports mounting up to so high as 1 2 million tons The rapid expansion of the demand for coal after the war involved a very heavy strain on the railways in the years 1919-20 The coal trade came to monopolise the available supply of wagons with the result that other commodities and trades were held up In July, 1920, the Government of India following the example of the United Kingdom and South Africa, decided to prohibit the export of coal from India except under license with effect from July 24, and from September 1, to refuse the preference which had till then been accorded by the railways to bunker coal for Indian ports It was hoped, at the time these restrictions were imposed, that the bunker coal intended for the ports of Bombay, Madras and Karachi which were then taking an all-rail route would be diverted to the port of Calcutta and would then reach their destination by coastal steamers At a later stage, it was deemed advisable to restrict the free export of coal and to allow the exports to the former foreign markets only on the basis of a rationing scheme Within a half year, it was found, on account, among others, of a fall in the raisings to the extent of 4½ million tons, that the provisions were not drastic enough From the end of January 21, exports to Labuan and Singapore were altogether prohibited Colombo was allowed a diminished supply till the end of March and thereafter only to the Ceylon Government railways and a few public utility concerns Even bunkering coal was reduced to the minimum necessary for enabling the steamers to reach the next nearest source of bunker coal In July 22, all restrictions on the export of cargo and bunker coal by sea to ports in India were removed The embargo was not entirely removed till January 1, 1923

The inevitable result of this interference with the flow of coal to foreign markets was that Indian coal was ousted from its place and that South Africa which is the chief rival to India fully established herself in those markets, and it is easy to understand that once business relationships are established it is difficult to terminate them in favour of even an old customer It has been remarked already in an earlier section of this article, that, the Government and the trade in South Africa work in the closest co-operation and that among the many measures introduced for strengthening the export trade in South African coal was the action that had been taken to prevent the use of any but the best coal for export and bunkering and to ensure the satisfactory condition of any coal so used By 1924, the situation resulting from the loss of the foreign markets had become serious

TARIFF BOARD ON INDIAN COAL

The coal trade applied for protection, and as the questions involved were deemed to be of a highly technical nature, the Government decided to appoint the Indian Coal Committee, which would go into the question thoroughly and submit a report which might possibly be regarded as the basis for the Tariff Board to work on The findings of the Indian Coal Committee are naturally various and varied Their most important finding was that the problems of the Indian coal trade may be summed up in two words "quality" and "price" In regard to the former, they inclined to the view that, though the restriction placed on exports during the period after the War had much to do with the ultimate loss of the foreign markets, there have been even from earlier times a decided dissatisfaction amongst the foreign consumers with the quality of the Indian coal and that, even if the restrictions on exports had not been imposed, India would in any case, have been superceded by her rivals in Colombo, Singapore and other ports As regards price, they went elaborately into the factors entering into the price of coal at the various consuming centres Naturally, these factors fell into four divisions (1) cost of raising, (2) railway freights, (3) port charges, in the case of coal for foreign markets and Indian ports and (4) shipping freights The Committee after a careful examination found that Indian coal, by all the accepted criteria in this regard, is, if anything, superior to the rival product from South Africa, and that, if greater care were expended in the raising, handling and selection for foreign markets of Indian coal, our products can very well stand the competition from abroad and slowly find it possible to regain the lost markets For this purpose, the common methods of pooling and grading were suggested in the evidence before the Committee and were considered by them The Committee decided that no pooling was essential for this purpose They accordingly recommended the appointment of an Indian Coal Grading Board to classify the different seams at Indian collieries, to prepare a grading list and grant certificates of shipment The recommendation was given legislative effect in 1925, collieries included in the grading list receive a special rebate on railway freight and a reduction of port dues and of shipment of cargo coal approved by the Grading Board With the institution of the Board, foreign markets have been enabled to ascertain beyond doubt the origin and quality of the coal consigned to them The quality of the coal shipped under the supervision of the Board has helped Indian coal to regain the footing it had lost in the markets of the East owing to the indiscriminate shipments of earlier years

PROBLEMS OF BENGAL COAL

Apart from these, Bengal coal would seem to have problems of its own We have already mentioned that there will be an increasing tendency on the part of the industrial consumers in the heart and farther ends of the country to have their needs supplied by the collieries near at hand This has been possible as the technique of steam raising enables the use of inferior coal in place where formerly there was no alternative to the use of the best qualities In these circumstances Bengal coal will have to fall back entirely on the export markets, and this is a prospect which it should not fear, as Bengal coal is of the highest quality and well appreciated by foreign consumers But the internal coal market has been during recent times in a state which the producers can by no means regard as wholesome Coal prices are determined by the rates obtained at the railway tenders, and the fact that the railways themselves are owners and managers of collieries tends to undue depression of the market It has naturally been the insistent demand of the coal trade that the railways should cease to work their collieries While this desideratum has not been fully secured the coal owners of all sections attempted for their part to reduce undue competition amongst the producers

RESTRICTION OF COAL OUTPUT

The year 1932-33 saw a worsening of all the adverse features of the coal trade referred to earlier, and the primary cause of the increase of all these handicaps was the imposition of a surcharge of 15 per cent on rail freight on coal The effect of this, it has been contended, is to give an unfair advantage to the coalfields of the Central Provinces, as, with a 15 per cent surcharge, the basic rate in respect of the coals of these two areas is in favour of the C P coal The practical effect of the surcharge was to make Bengal coal considerably dearer to Western and Southern India and to other places away from the coalfields in Bengal and Bihar and Orissa

As a result of the various representations made by the coal trade of Bengal and Bihar and Orissa, the Government agreed to do something and raised the rates for the transport of coal from the collieries in the Central Provinces as from the 1st of April, 1934 It was announced in Jan 1935 that as from the 1st of April the surcharge on the railway freight would be reduced by a cut in the basic rate from 15 per cent to 12½ per cent and by the imposition of Re 1 per ton, irrespective of distance

The comparative prices of 1935-36, 1936-37 and 1934-35 are given below

	1934-35				1935-36		1936-37	
	Rs	A	Rs	A	Rs	A	Rs	A
Dishergarh	4	0			3	0	3	0
Poniati	3	9			2	12	2	14
Super Jharia	4	0			3	8	3	8
Selected Jharia	3	8 to	3	12	2	12	2	14

The difficulties of the Coal industry of Bengal and Bihar and Orissa have mounted up, like Pelion upon Ossa and, as a result, have succeeded in making the industry one of the most disorganised in India The unhealthy competition amongst the coal owners themselves has also contributed in no small measure to the ruin that is almost staring them in their face After protracted and delicate negotiations the three bodies interested in the coal trade of Bengal and Bihar and Orissa *i e* the Indian Mining Association, the Indian Mining Federation and the Colliery Owners Association agreed upon the essential principles of a scheme of restriction with differences of opinion restricted to certain details such as the constitution of the Board of control The scheme was submitted to the Government of India in December, 1933

It is useful to give here its main outlines The Restriction scheme shall be in force for a period of three years in the first instance,

restriction being effected by control of wagon supply The operation of the Scheme shall be restricted to Collieries in British India, in Bengal, Bihar and Orissa and the Central Provinces The Standard Tonnage of all collieries shall be the average annual output of the years 1930-31-32 The lowest quota shall be 75% of the Standard Tonnage but the Committee shall have power to vary the quota from time to time as they consider necessary Collieries in Central Provinces (British India) shall be allotted a quota equal to 100% of their standard tonnage Sanction shall be sought from Government to amend the Coal Grading Board Act 1925 to allow of all expenses in connection with the working of the Restriction Scheme to be met from funds at the dsiposal of the Indian Coal Grading Board The Committee shall deal with all matters arising out of the Restriction Scheme and their decisions shall be final and binding

1935-36 must be pronounced altogether event less year in the history of the coal industry For by the beginning of April, 1935, the Government had had its final say on the question of restriction of output and the industry was left to face the severities of cutthroat competition There was however, one relief in the shape of the reduction of the basic rate on the surcharges of railway freights to which a reference has already been made This was sufficient for a time to hearten the collieries, and later when there came about a slight improvement in prices it was possible to feel that the year had not turned out as bad as it was once feared Towards the end of the year, the attention of the trade was diverted to the question of regaining the export markets which had been lost during the years following the War The Associated Chambers of Commerce passed a resolution at their annual meeting that the Government should consider the advisability of reducing the freight on coal with a view to enable the Indian industry to compete on equal terms with South African coal in certain markets like Ceylon and Sumatra and the neighbouring ports for bunker coal

Mention may, perhaps, be made here of the disasters which occurred in the Jharia coalfields early in 1936 The fires raged so long and the casualties were so heavy, that public interest in mining regulations was revived and the Government of India have taken action by formulating new regulations which attempt to provide as far as may be possible for better mining methods and for prompt provision of relief in case of disaster

If the preceding year, apart from the accidents in the mines was devoid of interest, 1936-37 provided plenty of features The outstanding event in some sense was the Poidih disaster in the Jharia field The gravity of the disaster forced the question of proper safety methods to the forefront, while the warning of Sir Lewis Fermor about the prospect of a shortage of good coking coal lent urgency to the problem of coal conservation to which we adverted last year The Industries and Labour Department besides issuing instructions for the adoption of safety methods, and the stoppage of female labour as from June, 1937 by amending the Mines Act suggested the adoption of sand-stowing during extraction as advocated by an expert member of the first Coal Committee The practicability of the more economical and safer extraction of coal by the adoption of sand-stowing and similar methods was the subject of reference to a small expert committee appointed by the middle of the year The Chairman, Mr L B Burrows was assisted by a member of the Geological Survey, an officer of the Mines Department and a Mine Manager The coal industry however, did not take the committee seriously and declined to tender evidence The three organisations representing the industry held th view that the terms of reference were too wide and vague and that other measures besides the adoption of safe methods were necessary to assist the industry Further the advance in internal consumption and the improvement in prices in the latter half of the year had the effect of reviving self-confidence, and there was also a feeling that the committee's findings would not redound to the credit of the industry, while the reforms ad vocated for more efficient and economical mining involved an increase in working costs, which would hardly be to the liking costs, which would hardly be to the liking of mining interests The report derives interest from the suggestion of a cess to provide for the expense involved in the general adoption of sand-stowing The cess was to be levied and administered by an independent statutory board to be clothed with powers of general supervision over the industry

A minority of the Committee went further and recommended nationalisation of the mines, provision for compensating owners being made by Government Public interest in the Committee's report was considerable and the admitted necessity for avoiding the disasters (more numerous in 1936) and also for conserving the fuel resources of the country led to a general approval of the recommendations of the committee The committee's view that the average of waste was about 50 per cent, of which the greater part could be avoided by sand-stowing, receives added emphasis from the finding that the life of the reserves of good quality coal in 122 years the life of coking coal of quality is 62 years In the Jharia field, the life of the reserve is placed at 81 years and of coking coal 57 years The measures of conservation are advocated on grounds of public policy, apart from the interests of the iron and steel industry to which coal is a vital factor

The Indian Mining Association challenged the findings of the Committee and its criticisms of the methods of extraction The recommendations were viewed as impracticable and Indian colliery owners too endorsed the view that the additional cost was beyond th capacity of the industry in the existing circumstances Legislation on the lines of the report will probably be resisted, but public opinion in the country will back up Government's efforts to reduce waste and make mining methods safer The Adjai disaster early in 1937 showed that subterranean fires were uncontrolled and the provision of rescue facilities inadequate

The industry's economic position underwent a definite change for the better during 1936-37 Though the export trade, except to Ceylon, continued to shrink, interna lconsumption was on the upgrade and the industrial developments in progress led to enlarged use of coal The price of coal improved in sympathy and after the beginning of the current year there was a sharp reduction in stocks which stimulated prices

During 1937-38, the coal mining industry, if it has not made striking progress, has maintained its position The Ceylon Railway contract recovered in 1936, was again

awarded to the Indian coal trade, and the railways' coal purchases, to judge from the tender results in December, were fairly satisfactory Demand remained satisfactory throughout the year, and shortly after the stoppage of female labour underground, there was a shortage of supplies reflected in a prompt rise in prices Up to the end of December the supply position was dominated by the shortage of wagons and the coal market experienced something like a mild boom The labour supply in the mines was affected by the movement to the villages after the monsoon and the termination of female labour Colliery interests ascribed the rise in prices to the advance in wages demanded by male labour and their own increased charges Small changes were made in the mining regulations in order to make extraction safer, and until the time of the disaster in the Singareni collieries, there occurred no major accident

1938-39

The amendments to the Indian Mines Act and the Passage of the Sandstowing Bill by the Central Legislature are obviously major events for the coal industry The adverse trend in coal prices from the beginning of 1939 shows that the stability of the industry is not above question, and only the urgency of reforms in extraction methods compelled government to go ahead with its programme The Statutory Board with an official chairman is to work at Calcutta, and arrangements have been made for the collection of the cess from the industry Opposition to the proposals appeared to have died down, and the improvement in the labour situation must have induced coal mining industry to accept the case for safer albeit more expensive mining Until the middle of 1939, the export trade was in an improved state, and the Sino-Japanese war brought about an increase in the volume of exports to the Far East Total production in India recorded a further rise from 23 47 million tons to 24 81 million tons during 1938-39 To judge from the output figures the coal industry must have had a good year, but few of the coal companies can report an increase in profits The active demand for first class coal was advantageous to only a few companies, but the increased consumption in most industries was decidedly advantageous The withdrawl by the South African Government of the ban on exports of coal did not intrfere with India's exports which attained the peak for 10 years during October 1938 Total exports also advanced from 1 02 million tons in 1938-39 while imports declined in a marked degree as soon as Indian prices moved downwards Imports were the lowest on record since 1929 and this may explain how the increase in output was absorbed The increased consumption in industries did not alter the key position the railways still retain, and the December tenders were disappointing than otherwise Record production and record exports did not or could not prevent the slipback in prices—the Calcutta index for Jharia No I having fallen from 86 to 77 between May 1938 and May 1939 while the index for the superior Desherghur has fallen from 72 to 57 in the same period

The advent of prohibition in the Jharia field, the subsidence of labour traffic and the decrease in accidents are noteworthy features to which a referecne is necessary in this note No precise estimate can be made of total consumption but an increase in the output of the iron and steel, cement and the paper industries goes to show that the reduction in jute mill consumption should have made little impression The increased use of coal for generation electricity shows that coal in most provinces will long be both the primary and the secondary source of power The striking absence of fluctuations in prices after the decline in October may be an indication of stability in the coal industry with profits necessarily tending to be lower The outlook is affected, to some extent, by the coming into force of the Sandstowing Act The lack of public interest in coal shares until a revival was produced in May 1939 by reports of an active export in which companies with Class I coal to sell would come off well may be referred to here The prospects for the industry are not what they were in 1937 and the possibility of an increase in wages at the direction of the Bihar Labour Enquiry Committee cannot be ruled out There is also a disquieting increase in imports since February, but this may not be so vital as the retention of the export trade The tension in Indi-Ceylonese relations does not augur well for the coal export trade in general, and the experience of 1939-40 may not be so good as that of 1938-39 The persistence of international uncertainties is hardly a helpful factor at present, and the mixed showing made by coal mining companies during the year suggests that the position is none too secure

INDUSTRIAL SECTION:

THE INDIAN JUTE MILL INDUSTRY

MAINLY HISTORICAL

Though historical records of a comparatively distant past contain many references to fibres which were closely related to, if not identical with, jute, it was not till the middle of the last century that jute and jute manufacture attained a definite importance in world trade and commerce Obviously, a variety of fibres were known to the ancients and were in active use, and it would be difficult to determine their identity among those that we know to-day But it is certain that about the beginning of the nineteenth century the word *pat,* which is so commonly heard in the bazars of Calcutta, had come to denote definitely the botanical species known as *Corchorus capsularis* and *Corchorus Olitorius* The word jute, however, seems to have been used for the first time in official records by Dr Roxburgh, the Founder and Director of the Botanical Gardens, Calcutta, who was also the first to see its possibilities as an article of export, in a letter to the Court of Directors of the East India Company, which he sent along with a bale of the fibre in 1805 More followed, and by 1820 jute was being spun for use in carpets at Abingdon in Oxfordshire But old prejudices die hard, and in the light of the subsequent progress of jute it should seem strange that it was a standard condition of business in the flax trade in those times that goods for delivery should be "warranted free from India jute"

FIRST EXPORTS OF JUTE

It is natural that jute should attempt its first entry abroad in places carrying on the spinning and weaving of flax and hemp Dundee had, therefore, a consignment of jute in 1822, but the spinning of this fibre was found to be far from easy, and it took some years before Dundee found how to use them for doormats Progress, however, though slow, was steady By 1828, raw jute came to have a separate heading in the Calcutta customs records, and the shipments in that year amounted to 364 cwts Then whale oil was found to have the property of softening the fibre and making it more easy to spin, and with the spread of this device, the demand for the fibre increased Exports swelled to 11,800 cwts within a period of less than five years and the price had doubled itself by 1837 Coffee came to be transported from the Dutch East Indies in jute bags, and with a foreign Government enlisted as a large-scale consumer, the jute industry was firmly established

END OF HANDLOOM INDUSTRY

The development of mechanical production in Dundee had its natural effect on conditions in Bengal The handloom industry had shown a surpassing vitality and up to the middle of the last century India's exports of jute manufactures were more in value and volume than the exports of the raw material But later on with a rapidly increasing demand for jute from abroad, it became more profitable for the agriculturist to concentrate on the cultivation of jute than to continue a competition in which the odds were against him.

The normal progress of the jute industry was given a sudden stimulus by the Crimean War which shut out Russia's flax and hemp from the world markets In the same way, the American Civil War deprived the manufacturers of cheap cotton bags of their raw material In both these cases jute was the most obvious substitute, and it made the most of these opportunities Its place in world trade was assured And from this time exports showed a steady and rapid rise The peak year was 1908-09, when 897,000 tons were exported, with 1927-28 as a close second with exports of 892,000 tons

EXPANSION OF JUTE MILLS

The establishment of mills in India for the manufacture of jute with European machinery did not begin till after the middle of the nineteenth century The first jute millowner is reported to be one Mr George Auckland His original intention was to push *rhea* ahead of flax and hemp and visited Dundee with this purpose in view But with commendable quickness he appreciated the more useful qualities of jute, and in 1855 he erected the first jute spinning mill at Rishra near Serampore on land which was afterwards the site of the Wellington Jute Mill Two years later the first weaving factory was erected at Barnagore With such a conclusive demonstration of the profitableness of jute spinning and jute weaving and with the trade showing such remarkable capacity for expansion, other factories followed in rapid succession

The first power loom was erected by the Borneo Company, of which Messrs George Henderson & Co were the agents Its combination of spinning and weaving proved to be a very decisive factor in its success, and within a few years the equipment and output of the Company were doubled It was followed in 1862 by the Gourepore and the Serajgunge Mills The India Mills came in 1866, and the result was an increase in loomage in the short period between 1869 and 1873 from 950 to 1,250 In 1872-73 Budge Budge, Fort Gloster and Seebpore (later changed to Fort William) were registered in Calcutta and Samnugger and Champdany in Scotland Before two years were over, Oriental (now Union North), Howrah,

siatic (now known as Soorah), Clive, Bengal (now Belliaghatta), New Central (formerly Rustomjee), Hastings and Ganges followed Such rapid inrush of new mills took up the total loomage to 3,500 and apparently caused a state of temporary disequilibrium in the trade Only Kamarhatty ventured into the field in 1877 And it was not till 1882 when the mills had over 5,000 looms that the next bout of new ventures started, lasting for about three years At the end of this the loomage had increased to 6,700, of which 4,900 were sacking and the rest hessian

Again production outstripped demand, and the obvious need for restriction of output suggested the equally obvious expedient of forming the Indian Jute Mills' Association Its function has been mainly to bring the producing units together for purposes of regulating the output as and when necessary No new mills were built in the decade ending 1895 But it is a feature of the jute trade that existing mills had been regularly increasing their loomage and by 1895 the loomage had increased to 9,701, of which 3,117 were sacking The next quinquennium saw the advent of Gondalpara, Khardah, Alliance, Anglo-India, Standard, National, Delta, Kinnison and the present Lansdowne The opening years of this century were not marked by any new flotations, but between 1905 and 1910 Dalhousie, Alexandra, Auckland and Northbrook Mills were started, and the loomage went up to 31,755 as against 15,213 ten years earlier Albion, Angus and the Empire came into the field in time to reap the profits of the War period And during the War, Caledonian, Lothian, Orient, Waverly, Craig and Bally were added and after the War, Nuddea and Megna, Cheviot, Benjamin (now Presidency) Birla and Hukumchand were the first Indian mills, and later followed the Adamjee, the Premchand Mills, Hanuman, Agarpara and Mafatlal Gangalbhai Mills In 1921, Ludlow and the American Manufacturing Co were added to the one American-owned mill, namely, the Angus

The tables appearing in this volume, giving all the relevant statistics of acreage and crop mills' consumption and exports of raw jute and exports of jute goods will afford a more complete and more accurate story of the development and expansion of the jute mill industry It should suffice here in this descriptive note to point out that, if we put out of mind the years 1930-34 which form the period of the depression, the history of the jute mill industry during the War and post-War period is one of unbroken progress The area under jute increased from 31 69 lakhs acres in 1913-14 to 34 85 lakhs in 1929-30 Production expanded from 87 59 lakhs of bales in the pre-War year to 121 87 lakhs in 1926-27 The Indian mill consumption progressed with but few setbacks from 43 74 lakhs of bales to 62 46 lakhs in 1929-30 The export of jute and jute manufactures in 1925-26 amounted to Rs 96 79 crores out of a total of Rs 374 84 crores, from which there was a natural reaction But so late as 1928-29 the figure stood at Rs 89 25 crores From that peak, it has come down to about Rs 33 crores for reasons which will be entered into in a later section of this article, but there can be no doubt about the vitality of this industry or its capacity to stand competition from rival goods

THE CULTIVATION AND MARKETING OF JUTE

Bengal holds a virtual monopoly of the production of raw jute The two varieties of jute mentioned in the previous section are grown exclusively in the deltaic region common to the mighty river systems of the Ganges and the Brahmaputra Thus the crop is confined to Bengal, Assam and Bihar and Orissa, as also the Native State of Cooch Behar Madras and Bombay possess little fragments of land suitable for cultivation of a fibre most akin to jute, and one or two mills are in existence there which utilise the product in manufacture The normal area under jute is about 30 lakhs acres and three millions may be said to depend on its cultivation for their living

Jute is most luxuriant in a loamy soil The inundation of the Ganges and the Brahmaputra leave rich deposits of alluvial soil, and the cultivator is, therefore, spared the expense and trouble of providing manure Once planted, the crop requires little attention for a long time The finishing stages, however, entail hard and very irksome labour For to separate the fibre from the wood, the crop has to be steeped in water for two or three weeks Retting, as this process is called, requires the cultivator to stand in water for long hours The fibre is separated by beating the stems with wood Then it is washed and dried and made ready for disposal

The marketing of jute, so far as the cultivator is concerned, is not different in essentials from the marketing of other agricultural produce in India, though it must be remembered that jute is what is called a money crop for which the individual cultivator has little or no need Moreover, the bulk of the demand comes from the indigenous mills, who have a strong and powerful organisation and for whom the buying of jute at the best prices is not a seasonal or an intermittent operation The organisation of the mill and other interests has wide ramifications in the jute areas The cultivator is, as a rule, in debt and the creditor has *de facto* the first claim on the produce It may reasonably be suggested that jute passes from the cultivators through the hands of those who represent a blend of the moneylender and the agent acting on behalf of the urban interests A multiplicity of middlemen is detectable here The cultivator sells his jute through a *faria* to the *bepari*, a small dealer who acts on behalf of his principal, the *aratdar* or *mahajan* The *mahajan* sells to the agent of a mill, or there is one more link in the chain, the broker or baler butting in between the mill and the *mahajan* Then the jute finds its way to Calcutta or Chittagong by rail, river or road to be consumed by the mills or exported abroad

The place of the "futures" market in the organisation of the jute trade calls for special mention Jute offers peculiar attractions to the speculator Unlike cotton, for instance, which is grown in many parts of the world, jute is grown only in and about Bengal Demand for the commodity is steady But at the same time, uncertainties in regard to weather, conditions of the crop and extent of demand at any given time for jute products render it extremely fitted for speculative operations There is more than one organisation in Calcutta which affords facilities for such operations But the most important body is the East India Jute Association which has been formed mainly

on the lines of the East India Cotton Association and it aims at discharging the same functions to the jute trade as the latter renders to the cotton trade in the Western Presidency The rules of the Association are so framed as to keep the business of its members as far removed from wager and gamble as possible But the best futures markets of the world have not invented any infallible means of preserving the strictly *bona fide* character of the business, and in the case of the E I Jute Association also criticisms of an adverse kind have often appeared in the Press It must be admitted, however, that the Association has succeeded in ensuring more of free play for the forces of supply and demand

PROBLEM OF RESTRICTION

As indicated already in the earlier sections of this article, the years of the economic depression had been a trying time for the jute mill industry and those who are connected with it Our exports of jute and jute manufactures fell in volume and value The acreage and production of raw jute were practically halved as compared with two years before Prices were every day digging new record levels And the jute mills were obliged to devise new schemes of restriction in a vain endeavour to keep pace with the fall in demand The world economic depression has undoubtedly, a large place in the troubles of the jute industry The movement of the chief agricultural crops like cotton, wheat, coffee, etc , has been restricted by the state of the consuming markets and this brings about a serious decline in the foreign consuming demand for jute While this factor may be properly appraised without any attempt to underrate its importance, it must not be forgotten that the position of jute in Bengal enables the mills to acquire a certain degree of immunity from world causes of an adverse kind Possessed of a complete monopoly of the raw material and a virtual monopoly of the lines of jute manufactures in which the Calcutta mills are engaged, it should always be possible by the regulation of output to save the industry from severe losses or an altogether sterile working Even in the early stages of the history of the jute industry temporary disequilibrium between supply and demand was not unknown In fact, the Jute Mills' Association was first formed to combat such a danger

The history of the jute industry during the last few years is largely the history of more or less restriction of output We have referred to the vast expansion in the jute industry during the War period and the years immediately succeeding it This expansion was due to the fact that the new entrants into the field did not see the place of the War in the economic demand for jute products during that period When this was more clearly borne in on the jute mills they agreed to a scheme of restriction of output which lasted till June 30, 1929 The members of the Indian Jute Mills' Association had probably a variety of motives in abandoning restriction in that year There was, first of all, the feeling that demand had expanded considerably since the agreement amongst the jute mills was first concluded The clearest proof of this was to be found in the fact that the jute mills in Dundee and on the Continent of Europe had been increasing their loomage and other consumption of raw jute Even at home new mills were being established , and the obvious result of the continuance of restriction was that other producing units were reaping the benefits of prices which were maintained at that level only by the action of the Association In these circumstances, the abandonment of restriction was an act of bare commonsense

But reference must also be made here to the feeling in certain circles that the motive of the jute mills at that time was to hit the Indian mills which had just ventured into a field, till then practically an exclusive preserve of the European mills Though it is not for anyone, except those in charge of the mills to deny such allegations, yet it must be remembered that this contention has value and relevance only in a controversy in which the main issue is whether the Indian mills harmed in that way should avail of the earliest opportunity to return tit for tat Be that as it may, after a somewhat prolonged consideration, the jute mills decided in November, 1928, to increase the working hours from 54 to 60 hours per week But the new arrangement was to begin from July 1, following The change was not very old before it became apparent that it could not be persisted in except at the peril of the industry itself The demand for short hours was widely made The mills took time to recognise the position And even after the recognition came it was not easy to come to an agreement as to the remedies Finally it was decided to revert to 54 hours The inadequacy of this measure suggested the closure of the mills for three weeks in the latter half of 1930, the exact time to be determined by each mill and, of course, day notified to the Association It is curious how the need for restriction grew with every new measure designed towards that end The restriction of working hours to 54 led to the closure of the mills three weeks And the closure of the mills after it ceased, was followed by a further restriction of working to 40 hours per week Then it was decided to seal up 15 per cent of the looms of every member of the Indian Jute Mills' Association The remaining 85 per cent of the looms running 40 hours per week is equivalent to the full complement of looms working 34 hours per week, a reduction of 43 per cent

It may be thought that so drastic a restriction of working cannot fail to produce better conditions But difficulties arose at this stage which, but for there being a late and unexpected development, are the same as those on which all schemes of restriction have foundered The very severity of the restriction was an inducement for those who were outside its scope to increase their production The non-member mills which owned about 5 per cent of the total loomage of the industry increased their equipment and working hours Their overhead costs were lower and their margin of profits increased The sight of this development tempted even members of the Association to desert its ranks And so a position was reached in which the output of the non-restrictionists amounted to as much as 14 or 16 per cent of the total production

These developments brought matters to a head While the need for restriction was becoming more and more urgent, the Association mills exhibited a decided reluctance to impose any more restrictions on themselves unless they had the whole industry with them This was interpreted, and rightly, by the non-Association mills as a bid for their support

And attempts were made to raise the bid Protracted negotiations and increasingly stiffened attitudes were the result The markets all the time were going from bad to worse , and interest in the question spread to the general public as the ruin of the jute industry spelt the ruin of the whole province and even interests far transcending the province A vigorous agitation was in progress to induce the Government of Bengal to interfere in the public interest in the negotiations between the two sections and either bring about a settlement or impose one by legislative enactment His Excellency the Governor took a keen personal interest in the negotiations, more so, as he was opposed on principle to the interference of the State in the affairs of an industry But the final outcome was not exactly a compromise, as may be seen from the points which were agreed on in the second conference of jute interests which was held at the Government House under the presidency of Sir John Anderson himself

The main points settled were

(1) That the deposit money which the Adamjee mills forfeited on account of its secession from the Association should be refunded

(2) That the Association mills should work 40 hours a week, while the non-Association mills should be free to work 54 hours a week

(3) That the latter should be allowed to work their full complement of looms while the former are to have 15 per cent of their looms sealed up

The restriction agreement between the Association and the non-Association Mills brought about through the intervention of His Excellency Sir John Anderson worked smoothly through the year, so far as the relations between the two groups of mills are concerned but by the end of 1933-34 it was clear that the restriction scheme called for a revision For the foreign competitors of the Indian Mills were able to increase their share of the market and this was seen in the steadily increasing exports of raw jute from this country The foreign mills had the advantage of working to full capacity and of under-quoting the Calcutta mills because of the low overhead charges Just as in previous years the benefits of the restriction of production by the Indian Jute Mills Association went largely to the non-Association Mills, in the year 1933-34 the benefits of restriction in the Indian mills went to the non-Indian Mills Though it is generally believed that there has been no expansion of productive equipment in foreign countries, it must be admitted that it is absurd to continue a restriction scheme which undermines their competitive capacity by higher costs of production The Indian mills fought shy of revising the restriction agreement , for it is quite conceivable that increase of working in India might involve all producers alike in a common ruin But the rate at which the exports of raw jute increased left no room for doubt that, unless the Indian jute mills make their competitive power felt abroad, the foreign mills would go on increasing their output

Next to the cement industry, jute is the best organised industry in India and its position is well-founded The conservative policy and the careful building up of the jute companies by the Clive Street businessmen has brought the industry to its position of pre-eminence at the present day Its magnitude will be well understood when one is told that more than Rs 18 crores is invested in the industry The confidence of the public therein is brought out by the fact that the market value of the jute mill shares is nearly Rs 35 crores or nearly twice the amount of all the capital paid up (ordinary, preference and debentures) It is a matter of national pride to note that 50 to 60 per cent of the capital is Indian owned

An agreement was arrived at between the mills in the membership of the Indian Jute Mills Association , and from March, 1933 the Association mills began to work 40 hours per week with 15 per cent of the total looms sealed up Production was curtailed and prices seemed to improve By the end of 1934, it was found that exports of jute manufactures were falling and that other countries were taking advantage of the higher prices Substitutes for jute were responsible for some diversion of demand In consideration of these, 2½ per cent of the sealed looms were released in November, 1934 It was decided that the sealed looms should be gradually released for working The position at the end of 1934 was good, and everybody was looking forward to a good year in 1935

The year 1935 opened without any forebodings Prices were ruling steady and consumption was good Mills were making good profits Another 2½ per cent of the sealed looms were released for working in May, 1935, and yet another 2½ per cent in August, 1935 Everybody was confident that the year would prove to be a very good one for the industry , but events took an unexpected turn in September The non-Association mills, which were in agreement with the Association, made a grievance of the fact that the Association was not taking action against the outside mills, which were working without any restriction and were constantly adding to their productive capacity The Agarpara, a non-Association mill within the agreement, gave notice to the Indian Jute Mills Association of its intention to terminate the working agreement. The Association was not hopeful of compromise ; and at a General Meeting a resolution was passed to terminate the agreement as from March, 1936, by giving the requisite notice of six

months Panicky conditions followed and prices of jute shares fell considerably People feared that the crisis in the industry would result in gross over-production and serious reduction in the profits of companies

The collapse of the agreement between the Association Mills and the outside mills was followed by prolonged and infructuous negotiations From April, 1936, the Association mills, who were free to work at 54 hours per week after swing 6 months' notice, increased their working hours, and during the first quarter of 1936-37, the average working time in Association Mills was 46½ hours per week The jute industry's position itself was more uncertain in view of the definite refusal of the Government of India to enact legislation to give effect to the scheme for restricting hours and output Mr Clow's letter explaining the policy of Government held out no promise of intervention even if gross overproduction resulted The Association mills after April decided that one way of preventing new mills from being set up was to raise their own output and compete effectively, even if stocks grew heavy and prices declined From July, the mills started to work 50 hours per week and in August, all the mills worked the full week of 54 hours But the old condition regarding the extension of productive machinery held good and it was with a view to escape its restrictive influence that two mills decided to resign from the Association The resignation was withdrawn when the Association itself withdrew its restrictions on hours and machinery The relaxation of the rules is inevitably reflected in the output figures Stocks at the end of the year were 9 51 crores of yards compared with 6 01 crores of yards at the end of January, 1936 The average production in the months since April was 16 35 crores yards per month as against an average of 12 03 crores yards in the first three months of 1936 Production of sacking was on an average 11 6 crores yards per month compared with an average of 9 6 crores yards during the first quarter of the year and stocks too were higher at 9 88 crores yards against 8 21 crores at the end of 1936

1938-39

The Bengal Government's ordinance in September, the acceptance of the restriction agreement by all the outside mills save one, the almost complete control obtained by the J M A over the industry are features that distinguish 1938-39 from the preceding year The agreement of February, complete and satisfactory, was followed by a feeling of optimism that the industry had turned the corner, the feeling of confidence was stimulated by the orders for 200 million sandbags given by the War Office, and reinforced by an expectation that repeat orders would come Between the end of September 1938 and the end of February, 1939 the jute mill industry was dependent mainly on hopes of negotiating a watertight agreement to curtail output The latter became a pressing issue month after month, and market reports indicated that the statistical position of jute manufactures continued to deteriorate In the summer, the recrudescence of labour trouble and hopes of another big export order raised hessian prices, while jute prices shortly afterwards went up on drought fears

The subsequent reaction and the measures adopted by the Bengal government in August to deal with it may be touched only upon broadly The duty of giving the cultivator an adequate return for his labour has been accepted by the Jute Mills Association's President at the extraordinary meeting when the voluntary restriction agreement that was to replace the working hours ordinance was announced The acceptance of a duty to control the industry arises from the special position jute and jute goods hold in the export trade of India and the more important position they hold in the economic life of Bengal at present The disappointing trend of consumption is borne out in the monthly stocks figures Though due allowance must be mode for the grouping of outside mills in the figures the unfavourable trend since March 1939 is a reflection of the falling off noticed under exports, the total falling from 1 02 million tons in 1937-38 to 95 million tons in 1938-39 The steady rise under both hessian and sacking stocks held by the Indian jute industry compelled the Jute Mills Association to reduce output by 20 per cent under hessian and 7½ per cent under sacking as from August 1st this year by sealing up a small part of loom capacity and reducing working hours to 40 per week There was a possibility of widespread labour trouble in connection with this decision but this has been avoided with Government assistance The fall in exports and the rise in stocks have not been countered effectually by the striking reduction in total output from 1 31 million tons to 1 2 million tons, this being achieved by the reduction in October 1938

of working hours to 45 from 54 The downward trend in both hessian and sacking prices until October cannot escape notice, but the strong rise that occurred in the summer was not held owing to the disappointing character of the stock figures The rally in raw jute prices during August may help to correct the adverse trend in the manufactures market but in absence of another War Office contract, the improvement must be small The virtual pegging of raw jute prices, the control over futures trading, and the holding up of stocks in government warehouses at the instance of the provincial government as well as the prospective levy of a terminal cess are bound to keep jute prices above the 1938 level although the first crop forecast shows that there will be little change in the supply position as regards acreage under jute and that an excess rather than a shortage is envisaged in view of the restriction agreement, modified only recently to secure a further cut in output

A very complete picture of the industry's unfavourable position even after the acceptance of restricted working is afforded by company reports A draft on reserves has been made in many cases, and loss on working has not been avoided by many In a few cases more gratifying results have been obtained, but as regards the great majority of mill companies, the reduced appropriation to reserves including depreciation funds is a significant reminder of the fact that like the heady rise in jute during April, the rise in jute shares on the news that a War Office order had been given to the Indian Jute Mills Association for distribution to member mills was a shortlived phenomenon Higher raw jute prices may push up production costs, and the obligation to pay old wage rates for the 40-hour week will entail a sacrifice of a part of the profits Even the reduction in output cannot but affect costs and the feeling of pessimism to which the slump in jute shares early in August bore witness will take long to disapppear The news of orders from Hongkong and Singapore has not counteracted the depressing influence of American advices

The establishment of the technological laboratory and the smooth working of the Central Jute Committee which has studied consumption trends abroad and dealt in detail with the emergence of substitute fibres are developments over which the industry may feel gratified, but the heavy stocks remain to be worked off and a recovery in foreign consumption is retarded by the depression in commodity prices The stocks overhanging the market will take a fairly long while to be worked off, and the jute industry can only console itself that it is in much the same plight as the cotton industry The hopes generated by the restriction agreement early in the year 1939 have almost disappeared The prevalent mood is one of caution, and the only feature of the past year on which one can afford to dwell with complacence is the failure of the Dundee jute industry to secure special terms in the Indo-British trade pact by which Indian jute manufactures would be subject to quota or tariff restrictions in the British market The report that orders for sandbags in Dundee were more expensive than the orders given to Calcutta mills produced only faint enthusiasm, and just as the outlook was described as obscure and difficult last year one must conclude a review of the fortunes of the jute industry on a hesitant note this year also

INDUSTRIAL SECTION:

THE INDIAN TEA INDUSTRY

Tea formed an important item in the East India Company's cargoes and the fashion of tea drinking that set in during the 18th century in Britain was satisfied by imports from China China had a monopoly of supply and the East India Company found in this lucrative trade from the East one of its principal sources of profit But demand was irregular, and in 1773, stocks were so heavy that part of it was re-exported to the American colonies where however, the opposition to the Townshend duties was so strong that the cargo was thrown overboard by the colonists celebrating the 'Boston tea-party' Nevertheless, the trade continued to be important and in 1805 imports into Britain amounted to 7½ million lbs In 1813 the East India Company lost its monopoly of trade when its charter was renewed Owing to the entrance of competitors an alternative source of supply was looked for and the company was engaged in trying to locate areas of cultivation Both in the East Indies and hilly regions of India, the climate and soil were considered suitable, and in 1834 Lord William Bentinck's Government appointed a committee to examine the possibility of importing tea plants from China and developing plantations in other territories But on the North-East Frontier of India, the valleys of the Himalayas and the Nilgiris, the land was discovered to be well-suited to the cultivation of tea, but the authorities were unaware that the tea plant was indigenous to Assam and that there was no need to bring in the exotic China plant For some time, scepticism prevailed as to the actual chances of growing it in Assam, but in 1938, the advocates of the Assam variety announced that they had shipped eight chests containing 350 lbs to England A year later, the English market realised that India had entered the lists as a supplier of tea In 1838, the Assam Tea Company, which is the largest tea plantation company working in India, had been formed and Indian tea was offered for sale at the Mincing Lane auctions in 1839 The quality was criticised by brokers and efforts to get hold of Chinese instruction proved unsuccessful The industry, however, continued to progress and in 1866 there were 39 gardens with an acreage of 10,000 employing 8,000 labourers and producing 1 7 million lbs *In the course of another decade,* the industry advanced further and there were thrice as many gardens, the acreage increased by 80 per cent and output increased tenfold By 1906, further progress was made and the output was 12 4 million lbs from an acreage of 50,000 while the number of workers had risen to 64,000 Progress continued on the same scale in the following years, and in 1915, the acreage under tea was 53,178, the output was 17 99 million lbs, while the number of workers had fallen to 42,300 The last was the consequence of the invention of Mr William Jackson and the planting reforms of Mr Christinson The former introduced the rolling machine which rendered the slow and laborious process of rolling by hand and trampling it to dust under naked feet unnecessary The latter evolved the measures necessary for preventing soil erosion on steep hill surfaces and for resisting the effects of drought These were mainly responsible for India's getting ahead of China as a tea producer for export The rapidity and magnitude of the advance is indicated by the following table —

	Acreage (in 1000's)	Output (in million lbs)
1901	524	201
1921	709	274
1924	714	375
1927	756	390
1928	776	404
1929	788	432
1930	805	391

During the same period, considerable success had attended the planting in South India and the Netherlands Indies too made a good beginning In Ceylon, the coffee estates were almost wiped out by disease, and cinchona and later tea was taken up by the disheartened planters A promising beginning was made in 1880 and the island was able to export over 100,000 lbs Five years later, the exports were over four million lbs and in another five years the exports amounted to 45 8 million lbs The acreage also increased from 406,000 in the first years of the century to 450,000 in 1929 while small holders also had about 20,000 acres under tea Alongside of plantations in India and Ceylon efforts were made to start tea cultivation in Africa and in 1928-29 it was estimated that in Nyasaland Kenya and South Africa there were about 16,500 acres under tea with an output of 2,645,000 lbs Except in Natal, the African industry is of recent growth and during recent years production has increased further, not being subject to the Restriction Scheme In spite of indifferent quality the East African product has been in demand for blending purposes and at London sales, partly on account of lower prices they have obtained some measure of popularity Malaya has made only tentative experiments in tea cultivation, but the Dutch East Indies have now been established as rivals to India and Ceylon In 1929 rapid progress had been made in both Java and Sumatra, the former having 230,000 acres and the latter 53,000 acres During the same period China lost ground as an exporter of tea and became mainly a producer for domestic consumption Vigorous efforts were also made by the Japanese to grow tea in Formosa conquered from China, and in recent years, the low grade Japanese varieties have proved strong competitors to cheaper Indian grades in neutral markets

The methods of cultivation do not vary greatly as between different areas in India and the estates are usually similar in organisation and processes of manufacture too, though average prices realised by the crop may vary according to quality and district of growth

CULTIVATION AND MANUFACTURE

Tea seeds take about eighteen months to grow to the stage at which they are fit to be transplanted The tender shoots are not interfered with during that period, and then they are transplanted at the commencement of the rainy season into holes three feet apart and two feet deep An acre of land can grow about 2,900 plants As the plants require copious rains and complete drainage, too, in order that the water may not be in contact with the roots for a long time, only hill slopes are suitable for tea cultivation Manuring is applied heavily direct to the roots Weeding and hoeing have to be frequent, and nitrogenous green crops are grown in between the rows immediately after and before the rains The tea plant left to itself can grow to the height of an ordinary tree, but the plant is kept by pruning to the height of two to three feet, both to force more tender foliage and to facilitate easy plucking The picking commences in the third year, and the annual outturn per acre varies, according to the age of the plantation, from two to four maunds The various kinds of teas referred to in the markets indicate whether a particular kind is a tender leaf or a coarse shoot The buds yield 'orange pekoe" and "broken orange pekoe", "pekoe" is derived from the tender leaves, and "pekoe souchong" is the product of the coarser leaves

Picking has to be carried on by manual labour, particularly by women "who with quick eye and deft fingers rapidly choose and pluck the leaves, right and left hand operating simultaneously" The leaves are then taken with the minimum delay to the factory where they pass through several stages which are, in their order, withering, rolling, fermentation, firing, sorting and finally packing The first stage consists in spreading out the leaves in thin layers for about 20 hours to develop and increase the enzyme This process is so important as almost to determine the quality of the final product The importance of this process and the details of the subsequent stages of the manufacture are best described by the Imperial Economic Committee —

"The leaves are so spread as to allow of free upward and downward circulation of the air Where climatic conditions allow, the sides of the building are open to the outside air In some districts, owing to the humidity, it is necessary to wither the leaf in closed rooms, through which carefully controlled currents of air circulate, the object being not to raise the temperature, but to counteract the humidity of the atmosphere

"The process of rolling twists the leaf and breaks open the cells containing the properties that give strength and flavour to the final product The juices liberated by rolling form, when dry, a soluble extract which is released when the tea is brewed The rolling may be so carried out that a proportion of the leaf is broken and goes to form, without any subsequent cutting, part of the "broken" grades which are now-a-days preferred for their superior liquoring quality

"After being rolled, the leaves are spread out and left to ferment Here, again, it is important to arrest fermentation at the right moment, for if it goes too far, quality and flavour will be spoiled The fermented leaves, still damp and sticky, are now spread on the perforated or wire trays of a firing machine, and submitted to a hot air current for a short period during which they assume the black appearance with which everyone is familiar In the course of the processes enumerated, the leaf loses 75 per cent of its weight

"The tea is now known as "made" tea, and is next vibrated through sieves of varying mesh and sorted into grades It is important that the leaf in each grade should be even in size and true to type Although there are no fixed standards for each grade, the differences between them are well known on the market and any mixture is soon detected The sorted tea is then packed by machinery into chests and half chests These are lined with lead or aluminium foil to protect the tea from the atmosphere, to which it is highly sensitive Even so, tea is sometimes affected by juxtaposition in ships' holds with cases of fruits, such as oranges"

Alike in point of production and consumption, the tea industry is an industry of the British Empire It lends itself to treatment as an Empire industry, as no other industry does For, though, as we have seen earlier, the production of tea is spread over various parts of the world, over 70 per cent of that tea is produced and nearly 70 per cent of it is consumed within the Empire Over two-thirds of the entire capital in the industry is owned by its citizens All the machinery employed in India and Ceylon is of Empire origin Even the tea chests are imported from Empire countries

But what is most important in this context is that the Empire is both the producer and the consumer of the greater part of the world's annual output

Unlike other Empire products which have yet to win and secure their place in the markets of the United Kingdom, tea has an assured place Of the Empire countries Canada gives a negligible part of the patronage to the non-Empire product New Zealand is a slowly expanding market, with Ceylon taking the lion's share and Northern India coming in for a small bit Australia is giving more than 50 per cent of her patronage to Java and relegating the Empire producers, and particularly India, to an insignificant place Ceylon which exported appreciably more than Java in the earlier years has lost ground considerably, and the relation of Australia to the Empire tea trade is less satisfactory from the standpoint of Empire producers Outside the Empire, the United States of America derives its importance as potentially an even bigger market than Great Britain In that country, Ceylon has the foremost place with Northern India following and Java as a somewhat distant third But even if it were otherwise, the problem, so far as America is concerned, would be one, less of gaining a larger place for the Indian or Empire product, than of securing an expansion of consumption in a market on which all the producers have been looking wistfully for a long time

MARKETING OF TEA

The system of marketing which obtains in the tea trade is so peculiar that no apology is needed for a detailed and comparatively lengthy account of it A considerable portion of the tea crop

of India and Ceylon comes to Calcutta and Colombo for export to the consuming markets As the gathering of tea is a seasonal operation in Northern India the producers have always felt nervous of throwing the output of the whole season on the market at the same time , and by common agreement the crop is disposed of in weekly auctions But the real centre of the tea trade is London not only because the United Kingdom is the biggest consumer of tea, but it is the entrepot of the tea, as of so many other, trades The London market is, therefore, the nerve centre which determines the volume of demand at any time and the prices at every auction The preliminaries to the London auctions will be described in detail later on The tea is despatched by the garden managers to the local ports and the managing agents of the company owning those gardens consign it to their firms in London who, thereupon, became responsible for the marketing There is, of course, the usual movement of the goods from the docks into the warehouses where they are held in bond till the payment of the duty Barring the relatively small lots of China tea which are sold by private treaty, the bulk of the goods is put up for public auction In such auctions, there are selling brokers who act for the managing agents and the bidding is done by buying brokers who are intermediaries acting for the grocers and dealers The selling brokers draw samples from each break, test them and issue catalogues There is an interval in which samples are exhibited in the sale rooms, selling and buying brokers from their idea of the value of each break, and the former receives instructions from their principals as to whether they are simply to sell at best or whether there is a given price below which they should not sell at all

The practice in the London tea auctions which are the most peculiar feature of a peculiar system of marketing is described in the report of the Food Council of the United Kingdom

In addition to acting as selling agents on behalf of the producer, selling brokers also do a certain amount of business on behalf of purchasers whose orders they have received before the auction These orders are placed through the selling brokers' 'market men,' who appear in the box with the selling brokers, and bid precisely as do other persons in the room We have been informed that the market man does not disclose his top price or his orders to his principal, but buys as cheaply as he can If he disclosed the orders given to him in confidence by the buyers or brought at prices higher than the market, he would quickly lose hie business Business of this character is principally done on behalf of smaller shippers who supply Continental orders The market man receives a salary from the selling broker, and is therefore his employer, but he also receives ½ per cent commission on purchase, this ½ per cent being additional to the 1 per cent received by the selling broker Although on the face of it, it may appear unlikely that these market men can act in a dual capacity without prejudice to the interests of either selling broker or buying, we have received no evidence to the effect that the arrangement operates unfairly to either party

"Generally, the selling broker acts in the interest of the producer, and his duty is to obtain the highest price for the teas placed on the market by producers in return for a remuneration of 1 per cent on the selling price We have received no complaints against selling brokers They appear to carry out their duties with satisfaction to the trade and without detriment to the consumer In fact, they form an essential part of the organisation for placing tea at the consumer's disposal

"The immediate purchasers of most of the tea auctioned at Mincing Lane are the buying brokers They number about a dozen and are members of the Tea Buying Brokers' Association of London Some of these firms have been described to us as relatively big firms Buying brokers do not normally buy tea to hold but resell later to dealers, blenders, and merchants at a commission of ½ per cent In practice all purchasers of tea who do not pass their orders to selling brokers' market men (a procedure which is described above), buy tea through buying brokers, except that occasionally as a convenience distributors' representatives will bid in the room if their buying brokers are not present or are occupied, but the business is always put through the buying broker, and the buying broker is paid his commission of ½ per cent We have been informed that during the last 40 years there has been a change in practice, and buying brokers now obtain a bigger proportion of the orders as compared with the selling broker than was once the case Although the auctions are public, and nominally anyone is entitled to bid, it has been stated to us that if a bidder, not a recognised buying broker, were to enter the market, or, if one of the big distributors were to instruct his buyer to bid at the market, not through the intermediary of a buying broker, the buying brokers would 'run' the price with the object of securing that all sales of tea should pass through their own hands

"The bidding for tea is done in pence and farthings per lb and the same price is frequently offered by many buyers, none of whom may be willing to raise his offer The parcel then goes to the first bidder, and it will be of advantage to other buying brokers who need supplies to repurchase the tea from him and divide the commission with him rather than to offer an extra ¼d per lb After purchase of a particular 'break' other buying brokers therefore frequently call to the successful bidder, and generally, if not invariably, the bidder divides up his consignment at the purchase price, sharing the commission of ½ per cent with the other buying brokers In effect, therefore, two sales are going on simultaneously in the same room

"It often happens, however, that buying brokers in anticipation of orders from clients in the near future, will buy tea for which they do not possess orders These teas are placed on a 'bought-over list' and, in fact, whatever quantity of tea is not resold by the buying broker in the auction room is normally placed by him on his 'bought-over list' These lists are issued daily, and from them dealers, blenders and other distributors select the quantities and kinds of tea which they require

"We are informed that many firms rely on the 'bought-over list' for their supplies, and it is claimed that this eliminates much competition from the auction room "

The system of marketing detailed above clearly suggests certain lines of adverse criticism The buying broker seems to be, to all intents and purposes, an unnecessary middleman who tends only to increase the price of tea for the ultimate consumer Secondly, it requires an uncommon effort of imagination to believe or realise that the selling brokers' "market men" can act in a dual capacity and be true to his duties, both to

the buyer and seller, all at the same time and in the same transaction Thirdly, though this is not a necessary result of the marketing system the buying brokers are only a dozen in number and this has led to the remarkable concentration of buying in a few hands It is said that 70 per cent of the distributing trade in Britain is in the hands of four combinations and this is obviously a dangerous state of affairs The defects which have been mentioned above have found able apologies at various times Of the buying broker it is said that he is a specialised middleman whose expert service must be of great advantage to his principal

The selling brokers' "market men" are given the shelter of the ingenious contention that complaints have rarely been made against them It is probably overlooked that in a trade whose control has been concentrated in a very few hands—and it must be remembered that the buying brokers control also many companies owning large tea plantations—it is not to be expected that any serious charges will be made or satisfactorily substantiated But, committees which have required organisation of the Tea trade have stressed the need for a producers' combination which can act as a counter-weight to the combine that actually obtains on the demand side We must mention here, with not a little regret, that there has been so far no evidence of an anxiety on the part of the producing interests to improve a system of marketing which cannot commend itself to the ordinary man on grounds of common-sense

The fortunes of the industry during recent years have been governed by the International Restriction Scheme The continued progress of consumption up to 1929 was followed by a sharp setback in the years of the depression and in 1933 the situation was so acute that it was recognised that rigid regulation was necessary In 1933, the three leading producers, India, Ceylon and the N E I agreed to regulate their exports in accordance with the standard quota based on the years 1929-31 and the committee set up to control exports contained representatives of the three countries In new areas like East Africa no restraint was placed on exports, but fresh planting was forbidden

Till 1935, the tea industry's position remained difficult and the quota was twice adjusted with deference to the lag between production and absorption The quota for 1935 was lowered to 82½ per cent of the standard, but India secured a concession in as much as exports to countries on her borders like Nepal and Afghanistan were treated as part of internal consumption Production is largely governed by the Tea Control Act of 1933 and the volume of exports has shown little fluctuation, any deficiency being carried over to the next quota year The year 1935 was hardly cheerful for the industry and the setting up of the I T M E B was followed by very moderate results But there was a fair rise in consumption and the future was regarded with some measure of confidence in the succeeding year The increase of the tea duty in the British Budget of 1936 raised some apprehensions regarding the favourable trend of consumption, but during the course of the year prices were adjusted in some measure and the statistical position showed considerable improvement The efforts to stimulate consumption continued on a broader scale and one of the salient features of the year was the conversion of the I T C C into the Indian Tea Market Expansion Board analogous to the International Board Its representative character was broadened and the cess levied on exports was raised to a maximum of Rs 1-8 per 100 lbs by amending legislation

The Indian tea market during 1937-38 was quiet but fully steady There were welcome indications of a revival of foreign demand and prices were subject to a slightly rising tendency

The trend of prices in London and Calcutta was downward until the commencement of sales in April when a certain measure of recovery was in evidence The reassuring indications have been all the more welcome after the increase in export quota to 90 per cent by the International Tea Committee The continued expansion of internal consumption—this promises to be about 100 million lbs —is testimony to the efficacy of propaganda, and the improvement in world absorption to which the relatively small in London warehouse stocks bears witness have been gratifying to tea producers The weather conditions in Northern India had little or no effect on the crop last year, and the increase in the total production of North India to 352 49 million lbs in the year 1938 as compared with 334 08 million lbs in the previous year, was not altogether a depressing factor The reviews of the Calcutta tea market have drawn attention to the falling off in Burma's offtake, the further increase shown in Iranian demand and the slight improvement in the exports to outmarkets The general position has been strongly influenced by the trend of London sales, and after the opening sales in Calcutta in May the forces of recovery seem to be dominant again The crisis in Mincing Lane caused by the failure of Messrs Bunting had singularly little influence on Calcutta prices, and the industry holds a stronger position since the endorsement by over 90 per cent of Indian producers of the scheme to regulate production besides exports The

acceptance of this plan during the second term of restriction should lead to a gradual improvement in internal prices, and these have been shown to be as low as possible after due inquiry The consumer in India has been convinced that internal prices compared with London prices are decidedly low, and prospects of improved demand are brighter since the extension of Prohibition in many provinces

The rise in British Indian exports to 349-98 million lbs in 1938-39 was a reflection of the increased production, and the decrease in Board of Trade stocks in London since the end of February has led to a removal of the fears produced by the higher production and the setback in prices The adherence of East Africa and Malaya to the restriction scheme to the extent of regulating new planting was a welcome development during the year, and the industry was not hempered by the negligible increase in Far Eastern exports It is now taken as certain that China's competition will not upset the regulating countries in the British market A more important development is the assurance given by the Board of Trade that Japanese tea would not be allowed to be passed off as Empire Tea The increase in the import duty in the British Budget has not been badly received by the tea industry, and the rise in prices since April suggests that the British tea-drinker will be the person who shoulders the greater part of the higher tax The introduction of an agricultural incometax in Assam and the assumption of new liabilities regarding estate labour, if and when the Inquiry Committee from which the I T A 's Chairman has been compelled to withdraw reports, however, are unfavourable factors to the tea industry in Assam Tea average prices in India have moved up to the level of the summer of 1938 but the increase in the quota for 1939-40 may not be without adverse effects

The tea industry's profits in 1938 tended to be lower than in 1937 and many companies distributed reduced dividends while a few were in a position to maintain dividends at the previous year's rate Though the outlook on the whole, is considered good for tea the developments in the labour situation are not promising and the Chairman of sterling Companies have made specific references to the welfare work for which the industry has a ready made itself responsible and its reluctance to undertake fresh liabilities No review can omit a mention of the London celebrations with reference to the centenary of Indian tea in the U K The centenary of the Assam Co also fell in the same year and the bonus was a confirmation of the prosperity of this leading producer The London celebrations had the merit of emphasising the importance of the Indian tea plantation industry for the British investor, the consumer and also the country in which the estates are situated The outlook for the industry at the present remains unclouded, and the seasonal conditions have been taken as satisfactory Consumption trends remain favourable, and if and when the export trade to the U S A and Russia expands to the prewar dimensions, even the lapse of the restriction agreement would not cause any discomfort

The total exports from India in 1938-39 exceeded 349 million lbs, but their value at Rs 23 4 crores was lower in comparison with 1937-38 when the total value of exports was Rs 24 38 crores The most important customer was the U K —total exports being over 303 5 million lbs and the next in the order of importance was Canada Exports to the Empire generally showed a decrease compared with 1937-38 The continuance of the preference in the U K market under the Indo-British trade pact is a factor bringing further stability to the export trade, and the food reserve plans of Britain may lead to the building up of both private and public stocks An anticipated increase of 20 million lbs in world exports under the higher quota during 1939-40 will produce no adverse effects on the statistical position, and the striking steadiness of retail prices around 2sh a lb in Britain shows that consumption will not be retarded by the increase in duty by 2d although this implies that the distributors and the producer will take up part of the burden placed on the consumer The increase in the quota should, however, be an offsetting factor in some respects and the recovery in Calcutta prices for both export teas and local consumption from the beginning of 1939 should not be overlooked The tea industry after a century can face the future with confidence

INDUSTRIAL SECTION

THE COTTON TEXTILE INDUSTRY

India is regarded as the birthplace of the cotton textile industry and even at present by virtue of its antiquity and importance it takes the first place among Indian industries Alike in the capital sunk, in the volume of employment it provides, and in the net addition to the wealth and income of the country, it has hardly a rival among our industries And what is more, it has a hold on the public imagination and affection that no other industry has The decline of India's cloth manufactures since the latter half of the 18th Century was regarded as the symbol as much as the result of the country's political subjection, but its revival in the second part of the 19th century and its progress since, has been in the public mind equivalent to the progress of a political and economic emancipation

The excellence of Indian cotton manufactures secured a market for them in Europe, two centuries ago and even the jealousy of English weavers, expressed in riots, did not make the East India Company give up the lucrative trade in calicoes The growth of the Lancashire industry as the consequence of the industrial revolution in England accompanied by the neglect and ill-will of the governors of India make the old puissant industry of India a mere ghost of its former self, but after 1850 when the East India Company sought to stimulate exports of Indian cotton, many appreciated the advantages that the development of the industry would obtain on Indian soil if the mechanical improvements of the West were adopted Bombay was designed by nature to be the home of the cotton mill industry and the first Indian mill was established by Mr C N Davar and started work in 1856 though the Bowreah Cotton Mills Company established at Fort Gloster near Calcutta as an English company in 1818 has the distinction of being the first In the next few years six more mills were started in Bombay Island and the industry had also secured a foothold in Broach and Ahmedabad where the first mill was started in 1859 under the management of Mr Ranchodlal Chhotalal The American civil war gave a fillip to the Indian mill industry and by 1880 appreciable progress had been made as may be judged from the figures below —

Year	Mills	Spindles (In thousands)	Looms	Labour
1851	1	29	—	5
1866	13	309	3 4	7 7
1876	47	1,100	9 1	
1877	51	1,244	10 3	
1880	56	1,461	13 5	44 4

Statistical records of the progress of the industry since 1880 are more complete and the table below indicates the advance of the industry for the quinquennium period up to 1903-4 and for the two years thereafter

Year	Mills	Capital (in lakhs)	Labour	Looms	Spindles
1878-80 to 1883-4	63	657 6	51 0	14 5	1610 6
1884-85 to 1888-9	93	887 9	75 7	18 2	2296 8
1889-90 to 1893-94	127	1161 1	116 1	25 3	3263 8
1894-5 to 1898-9	156	1419 5	150	36 6	4046 1
1899-00 to 1903-04	195	1687 9	171 6	42	5000 9
1904-5	203	1757 5	196 4	47 3	5195 4
1905-6	204	1719 7	212 7	52 3	5293 8

Progress in the succeeding years was well maintained and in 1913 the Indian industry had a complement of 237 mills with a total of over 6 2 million spindles and 90,000 looms It is estimated that the output of the industry at the time was 688 million lbs of yarn and 1,164 million yards of cloth as compared with 353 million lbs of yarn and 422 million yards of cloth at the beginning of the century Thus the beginning of the war period found the Indian industry a substantial one with crores of capital, mainly Indian, invested therein and affording work to

over 244,000 persons It had shown remarkable expansion since its inception and had undergone in its later stages a change from one based on spinning to one embracing weaving, both of home-produced and imported yarn Whereas spindles had increased by 39 per cent looms had increased by 142 per cent and the ratio of spindles to looms had fallen from 119 in 1898-9 to 68 per cent in 1912-3

Even more rapid was the progress of the industry during the Great War when the decline in imports assisted the progress of the industry though advance was hampered by the difficulty of obtaining plant and equipment from abroad By August 1918, the number of mills increased to 252 with over 6 6 million spindles and 116,000 looms consuming over 2,085,000 bales of cotton In the early years of the century the industry had an important trade in yarn with the Near East, Russia and the Far East, but the trade was lost through the remarkable advance made by Japan in textile manufacture and the enlarged demand for weaving purposes 1917 is considered the most prosperous of the war years and high prices and large exports accompanied the rise in production

The end of the war witnessed no diminution of prosperity and in the post-war boom orders for new and additional plant both for old and some new mills were freely placed when the Rupee value was fixed at 2 sh But the exchange crisis left the importers unable to take delivery In the piecegoods market also a very acute situation developed and indigenous goods were shunned as much as imported goods The Indian mills' spinning production as mentioned previously was being elbowed out of foreign markets and this added to the difficulties experienced in the slump of 1921 The competition of Japan in piecegoods became a serious factor in 1922 and the depressed state of the industry received no help from the movement to popularise khaddar

Shareholders in the mill industry after the intense boom experienced something like disaster and labour troubles accentuated the difficulties of the industry These conditions led to the appointment of a Tariff Board to enquire into the industry with particular reference to the causes of the depression, whether permanent or temporary, and to examine the extent to which it was due to foreign competition and also advise on the necessity or desirability of protection The Tariff Board confirmed the impression conveyed by the terms of reference that the plea for protection was made with far greater importunity by Bombay and Ahmedabad Mills than by mills situated elsewhere. And even as between them, more insistence was laid by the Bombay mills, for it was apparent that the industry there laboured under disadvantages imposed by higher costs, especially, wages, fuel and the distances from raw cotton areas and consuming markets The examination of other questions revealed the contributory force of the loss of export markets like China, and the extent of competition from Japan was probably as serious as the losses occasioned by the growth of the industry in up-country centres

The remedy which the Tariff Board suggested was the diversification of manufactures, and to this end, they suggested a bounty for stimulating the spinning of yarn of higher counts The only action taken in regard to the majority and minority recommendations of the Tariff Board was the abolition of the duty on imported mill stores, for the Government stated, that on the facts as found by the Tariff Board, no case for protection had been made out But as the result of protests and representations the Government issued a *communique* levying a specific duty of $1\frac{1}{2}$ annas per lb on imported yarn below the value of Rs 1-14 per lb when the rate was to be 5 per cent *ad valorem* up to March 31, 1930 These concessions, which followed the abolition of the excise duty (first imposed in 1894) in 1926 after prolonged agitation, had little effect The fixation of the rupee ratio at 18d gave foreign manufacturers a definite advantage and the recrudescence of labour troubles in 1928 and 1929 left the textile industry, particularly, of Bombay in an enfeebled condition Requests for relief resulted in the appointment of Mr G S Hardy to conduct an enquiry into the changes in the imports of cotton textiles and to advise on the possibility of substituting specific for *ad valorem* duties

Mr Hardy in his report confirmed the popular view of the intensity of competition from Japan and he pointed out that one of the results was to displace not only Indian but Lancashire goods He reported against the change from *ad valorem* to specific duties as unsuitable The issues raised in the report were examined by Government in conjunction with representatives of the Bombay Millowners' Association and the necessity of a certain degree of protection was accepted As a consequence it was decided to raise the revenue duty on cotton piecegoods from 11 to 15

per cent and under the Textile Industry Protection Act of 1930 they imposed on non-British goods an additional 5 per cent for three years, and a minimum specific duty of $3\frac{1}{2}$ annas per lb on plain grey goods, British and foreign But the action appeared to be governed, mainly, by revenue considerations, and the necessity for protection was left to be adjudicated by a Tariff Board enquiry

The Textile Industry Bill had a rather stormy passage in the Assembly and an amendment made grey goods from Lancashire subject to the specific duty The industry received some assistance from the intensification of the *Swadeshi* movement in 1930 and the surcharge of 25 per cent levied by the supplementary budget of 1931 on all imports conformed some advantage in addition to the changes made in the March Budget when the import duty was raised to 20 per cent on non-British goods The emergency budget of 1931 raised the duty on rayon yarn from 10 per cent to $18\frac{3}{4}$ per cent and the duty on rayon and mixed goods was fixed at 50 per cent and $34\frac{3}{8}$ per cent respectively after being subject to a duty of 20 per cent in the previous seven months

The import trade in textiles is one that is frequently the subject of both description and comment The changes in its volume and distribution have been elucidated in statistics appended to this note besides the tables relating to India's foreign trade The principal conclusions to be drawn from a glance at the tables is that the Indian industry, hampered though it is by many difficulties, has made remarkable progress, that the British manufacturer has lost his hold on the market and that Japan remains the most formidable competitor The last has of course been the outstanding feature since Japan went off gold in December, 1931 In the middle of 1932, the value of the yen was stabilised at a very low value in terms of sterling Depreciation of the yen exposed the Indian industry to increasingly rigorous competition, and in its representation to the Tariff Board appointed on July 25, 1932 the Bombay industry rested its case principally on the depreciation of the yen The report of the Board on the question of the depreciated yen and the related charge of dumping (published in September) was preceded by the resolution of the Government deciding on the raising of the duty on non-British piecegoods to 50 per cent subject to a minimum of $5\frac{1}{4}$ annas per lb on plain greys But the higher duty was to be in force till March 31, 1933, and after the Tariff Board reported there was a further decline in the value of the yen which rendered obsolete the figures employed by the Tariff Board in its calculations so that by the middle of 1933 recourse was had to further action, following representations from British and Indian Chambers of Commerce and the duty on piecegoods other than fents not of British manufacture was raised to $6\frac{1}{2}$ annas per lb

This was not the last development in the triangular contest for the Indian market for which the Indian mill industry, Lancashire and Japan cater at present At every step, action taken by the Indian Government sought to confer some differential advantage to Lancashire and protection was sought to be kept down to a bare minimum Piecemeal action had little effect in removing the troubles of the industry, and the acceptance of the Ottawa Preference prior to the belated publication of the Tariff Board report was followed by British-Japanese discussions in regard to the Indian market At the same time, as the Lancashire mission headed by Sir William Clare Lees visited India a Japanese envoy, assisted by expert advisers, was engaged in negotiating a trade treaty to replace the old convention denounced in April, 1933 The conclusions of the Tariff Board are set out in the appropriate place elsewhere in this volume and the only action taken by Government was to include the provisions of the Indo-Japanese trade agreement of 1934 and the Mody-Lees Pact in prescribing the tariff rates The main principle underlying the former was to fix a quota for Japanese piecegoods imports and to see that it bore relation to the quantity of cotton Japan took from India In the arrangement concluded between Bombay millowners and the Lancashire mission the claim that the Indian industry made to protection was conceded A lower scale of duties on rayon goods of British origin was agreed to and India was promised that in colonies and British territories she would enjoy the same advantages as the British supplier of piecegoods The most important point was an undertaking to increase takings of Indian cotton by Lancashire and the promise has been translated into the efforts of the Lancashire Indian Cotton Committee

In 1935, a special Tariff Board was appointed to examine the effectiveness of the existing import duties, the level necessary to afford adequate protection against United Kingdom goods and yarn inclusive of rayon and mixture fabrics The

appointment was in response to the request of Lancashire suggesting that import duties should be adjusted in relation to fair selling prices in India In the cold weather of 1935 the Tariff Board conducted its work, and Lancashire sent a delegation to tender evidence on its behalf in accordance with a provision embodied in the Ottawa Pact giving the U K or Dominion interest a right of audience The Board finished its work before February, but the report was held up and its non-publication caused considerable anxiety Towards the end of June, 1936, the Government of India released the report and put into effect immediately the tariff changes recommended The duty on plain grey goods was reduced from 25 per cent *ad valorem* to 20 per cent or annas $4\frac{3}{8}$ per lb whichever was higher to 20 per cent *ad valorem* or annas $3\frac{1}{2}$ per lb whichever was higher (2) the duty on bordered greys, bleached goods and coloured goods was reduced from 25 to 20 per cent *ad valorem* (3) the duty on yarn of counts above 50s was fixed at 5 per cent *ad valorem* and on yarns below 50's was to be 5 per cent *ad valorem* or annas $1\frac{1}{4}$ per lb whichever was higher The Board considered that the existing tariffs conferred adequate protection to the Indian mill industry which had led evidence for an increase in the duties

The immediate acceptance of the recommendations, without waiting for the legislature's sanction, caused acute disappointment, though the recommendations were not surprising, in view of the fact that, the agitation for concessions had been intensified The chorus of representations against the report had little effect, but the tariff concessions led to no improvement so far as Lancashire was concerned, for a rise in cotton prices, the passing of the Spindles Bill and rising wages at home involved an adjustment of prices that rendered the tariff revision of no advantage as the import statistics indicate But the criticism of the Government action was not lost sight of in the negotiations for a new trade treaty with Britain and one of the consequences of the criticism was the appointment of a panel of non-official advisers to assist the Commerce Member

These were not the only changes in the year Notice was given of an intention to terminate the Indo-Japanese trade treaty and negotiations were started to arrive at an arrangement to replace the pact of 1934 The Japanese Consul-General in Calcutta, assisted by technical advisers from Osaka acted on behalf of Japan and the distinctive feature of the negotiations was dilatoriness Indian opinion generally favoured the conclusions of a new treaty to embrace all Japanese imports besides textile manufactures and the imposition of a quota on rayon yarn and piecegoods Meanwhile the separation of Burma as from April 1, caused a complication and separate talks had to be conducted with a representative of the Burma Government The new Pact was signed on April 13 after the expiry of the old Protocol, and except for changes in the percentage allotment of each class of goods the present treaty involves little of import to the domestic industry though it has been pointed out that the retention of the old quota is a bar to the further progress of Indian mills

[1938-39]

While recording an increase in production the textile industry can scarcely report improved conditions in respect of 1938-39 The decoration in the outlook to which a reference was made at the annual meeting of the Bombay Millowners' Association was hastened by the official decision to increase the duty on raw cotton imported by Indian mills for manufacturing finer goods The industry's objections and representations were met with arguments regarding the desirability of encouraging the cultivation of long-staple varieties in India More pointed and detailed criticisms made in connection with the Indo-British trade pact found the Government of India unresponsive The introduction of the sales tax in Bombay and Madras, the threat of labour unrest after a year of uneasy industrial relations, and the revival of Japanese competition give a melancholy aspect to any review of the industry's position The advance in the total output while it may have eased the Indian cotton growers' problem in some measure, when depressed prices and reduced offtake created unusual difficulties was hardly favourable because it led to an accumulation of stocks in the cloth market when demand remained disappointing The industry is preparing to take steps to bring about a readjustment between supply and demand by curtailing production Efforts have been made by the Bombay Millowners Association to secure the co-operation of textile centres in all provinces, and a restriction scheme is taking shape Even earlier the abandonment of nightshifts and the reduction in working hours even when mills are on single shift working spoke of the depression that had overtaken the industry after

March 1939 The industry's misgivings have been accentuated by the apprehension of famine in the west and the north and the difficulties in the piecegoods market elsewhere While Lancashire has not benefited under the tariff reduction there is the quota arrangement giving her practically the same position as Japan in the Indian market The recovery in Japan's shipments since the last quarter of 1938 may not be reflected in statistics as yet but the long depression in yarn prices, and the fall in cloth prices which has been met by reducing Indian prices has aggravated the position in the cloth market, and July witnessed a crisis in Calcutta corresponding to the crisis in the sugar trade Whatever optimism might have been produced by the annual mill statement as at end-August 1938 or the improvement in production borne out by the figures below must have disappeared in view of the developments since March The labour situation is hardly reassuring, and the continuance of the textile labour inquiry in Bombay has not proved a check to the recrudescence of labour trouble The possibility of a general strike has been canvassed since July, because labour is alarmed by the unemployment consequent on the tentative efforts to curtail production The further advance in Japanese imports, and the decline in exports are again factors prejudicial to recovery The Egyptian tariff changes of 1938 have closed to partially a promising market for Indian manufacturers, and the establishment of a textile industry in Afghanistan as well as Iran is not a remote prospect The Tariff Board to enquire into the conditions of the industry has not been helpful to the industry since internal demand has shrunk on account of reduced purchasing power The dependence of the industry on agricultural prosperity has been fully indicated by the grave position in the piecegoods trade Stocks in all centres have kept mounting, and the melancholy character of market reports this year has been aggravated by the reports that in all standard styles Japan is bent on recovering the ground lost in 1937-38 Even in March 1938 the leaders of the industry spoke of the inauspicious developments, and if labour trouble during the following period has been checked by the efforts of provincial ministries, the higher wages bill and the time lost owing to strikes in several mills must not be overlooked

The profit and loss statements of cotton mill companies in the south as the west show that the last year was decidedly poor compared with 1937-38 and the depression in textile shares is complete and unbroken What the future holds for the industry, even after a satisfactory restriction scheme is evolved by voluntary effort, it is difficult to indicate Increasing strain is being experienced in the mill industry, and attempts to advance the interests of the hand-loom industry may not be altogether palatable to the mills The statistical summary may show that progress is still maintained, but the rise in imports is certainly disquieting The total production for the year 1938-39 (April to March) was in excess of that for the previous years, and may be claimed as a record The quantities manufactured were 1,303 million lbs of yarn and 920 million lbs of woven goods The percentage increase as compared with 1937-38 is 12 3 per cent under yarn and 6 5 per cent under woven goods The increase in yarn production was spread over all three classes, No 1 to No 25, No 26 to No 40 and above No 40 The increase in imports cannot, however, escape notice, nor can the fall in the production of long-cloth, shirtings etc The increase is marked under coloured goods rather than grey and bleached goods, and the official statistical summary brings out the fact that the increase was highest under duties The increase in imports referred to was the outstanding development of the year This may be stimulated by the tariff con-since March 1939 although signs of such expansion have not appeared Imports of yarn during 1939-39 recorded a similar increase, especially, takings from Japan and China, and among piecegoods the increase under plain and bordered grey goods is arresting, Japan's shipments being in excess of the two previous years Japan's sendings of white goods rose only slightly, and the shipments of printed goods were less than in the previous year Imports of dyed goods from Japan went up considerably, but under woven coloured goods, imports from Japan showed a fall Imports of piecegoods into provinces other than Bengal tended to be lower last year and the further reduction in imports of fents was one of the few satisfactory features shown in the import returns The substantial reduction under rayon yarn and piecegoods is also another feature to which a reference is appropriate, the competition of rayon goods with cotton manufactures being a well-established fact.

INDUSTRIAL SECTION:

THE SUGAR INDUSTRY

Among the protected industries of India, sugar is unique in the fact that within five years of the grant of protection, it has made such progress as to promise self-sufficiency India is now a leading producer whereas a decade ago she was one of the principal importers The sugar industry in India has developed at an unprecedented pace, and the striking fall in imports during 1936-37 is convincing proof of the fresh records touched by internal production In 1931, the Tariff Board recommended that in view of its agricultural importance, the sugar industry's claim for protection deserved sympathetic consideration The Board recommended that in view of the efforts made by the industry between 1920 and 1930 to improve output by the best methods, encouragement was necessary The Government of India accepted the findings of the Board and from January 30, 1932, levied a duty of Rs 7-4-0 per cwt on imported sugar The revenue duty was changed into a protective duty and the industrialists and investors of India realised that a new era had dawned for the sugar industry, and the number of mills producing sugar rose from 32 in 1931-32 to 154 in 1936-37 The total production of sugar was over 1 2 million tons in 1936-37 compared with 478,120 tons in 1931-32 while imports dwindled to 23,000 tons as compared with 511,319 tons in 1931-32

During the great depression, the sugar industry in other countries of the world suffered a severe setback, and Java had to restrict her output very considerably, following the loss of export markets The international sugar conference held in April 1937, arrived at an agreement to ration the limited free market, and one of the terms of the agreement was a clause binding India to refrain from exporting sugar by sea to any country except Burma, but the Indian Legislative Assembly refused to ratify the agreement

In previous issues of the Year-Book a detailed account has been given of the post-war economics of sugar The rise of beet sugar as a more formidable competitor than ever, being subsidised by most European Governments had rendered it impossible for tropical cane producing countries to find new markets or keep their former markets and the menace of overproduction has inevitably pushed prices down Improved methods of cultivation had increased the outturn in Cuba and Java and the Chadbourne plan agreed to in 1931 aimed at fixing export quotas for the principal producers Heavy stocks and tariff restrictions combined to keep prices down all through the last five years though in sympathy with other commodities sugar prices looked up by the end of 1936, there was no real recovery, and the last few months have witnessed a mild recession The conference convened in London in 1937 failed to devise any solution that can provide a satisfactory remedy for the difficulties of the tropical island producers and were also compelled to point out that an international agreement will not prove satisfactory if each country decides to make itself self-sufficient

During and after the war, the Indian industry languished and India which was in the nineteenth century an important exporter became a heavy importer Subsidised beet sugar from Europe entered in increasing quantities and the Brussels convention adopted in 1904 had only this result India became an importer of cane sugar from Mauritius and later from Java who was shut out of the U S A by the preference given to Cuba In the Far East, Java had a serious competitor in Formosa, whose plantations were developed by Japan, and the Indian market became her stand-by In spite of a high revenue duty, imports into India increased steadily and out of a million tons imported in 1929-30 about 80 per cent came from Java It is only since then that imports have fallen away as the result of a number of factors The most important of them are the reduced purchasing power of the Indian consumer owing to

the exceptional severity of the depression, and the tariff restrictions following the Tariff Board enquiry, and prior to that, the exigencies of Indian Governmental finance which looked to the sugar duty as a sure source of revenue and raised it from 5 per cent to 10 per cent in 1916 and later in 1921 raised it to 15 per cent A further increase to 25 per cent *ad valorem* was made in 1922 Consequent on a fall in sugar prices, the import duty was converted into a specific duty of Rs 4-8 per cwt This was raised to Rs 6 per cwt in 1930 and in 1931 a further increase to Rs 7-4 per cwt was made while the emergency Budget of September 1931 involved the imposition of a surcharge of 25 per cent so that the duty was raised to Rs 9-1 per cwt In the 1937 Budget there has been a change and the surcharge has been raised to equal the excise duty of Rs 2 per cwt so that the present duty is now Rs 9-4 per cwt

The Tariff Board recommended protection for 15 years though at the end of 7 years the renewal of protection was to be determined by a tariff enquiry The scheme of duties was based as usual on a calculation of fair selling prices and the Board considered that Rs 8-13-1 per maund could be taken as a fair price of sugar The progress of the industry in recent years has been accompanied by a gradual reduction in prices, and until recent months there has been a substantial difference in favour of the home-produced article against Java sugar

The Board attached importance to the agricultural aspect, and thanks to the labours of the Council of Agricultural Research a progressive improvement in the quality of cane and the introduction of new varieties in the important cane areas of India have been noteworthy features Complaints that the cane-growers did not receive a fair return were satisfied by the fixation of minimum prices in Bihar and U P by the Local Governments in accordance with the rules framed after consultation with the interests concerned The expansion of the industry was only slightly affected by the imposition of an excise duty in 1934 in order to make good the loss of revenue to Government following the serious fall in sugar imports Another motive inspiring such an action was to check the pace of advance, but in the next two years there was a further increase in the number of mills and the output The progress of the industry since 1931-32 is set forth in the following table

	Mills	Factory	Gur	Khandsari	Total	Imports
1931-32	32	158,581	69 539	250,000	478,120	511,319
1932-33	57	210,177	80,106	275,000	615,383	365,707
1933-34	112	453,965	61,094	200,000	715,059	249,776
1934 35	130	578,115	39,103	150,000	767,218	220,233
1935-36	137	912,100	50,067	125,000	10,87,167	198,888
1936-37	146	10,75,000	32,300	100,000	12,07,800	23,000
1937-38	154	10,50,000	25,000	60,000	11,35,000	20,000

In the last two years, notwithstanding the rise in output the sugar industry has been faced by a number of difficult questions arising from internal competition The rate of increase in factories has slowed down and the increase in the excise duty in 1937 from Rs 1-5 to Rs 2 per cwt , despite the protests of the Indian legislature, has placed an additional burden But anyway, progress has been made and more than a fifth of the world's sugar production is now credited to India and one of the most favourable features has been the improvement in the percentage of recovery The increase in production has caused serious difficulties in the market and since August, 1936 complaints of a glut and undercutting of prices have been common

As we mentioned last year the industry's development hereafter is dependent on a solution of its main old problems, although internal consumption has not reached saturation point, there is little scope for any marked increase, which are inclined to view any development of exports as impracticable The solution of technical questions relating to molasses, marketing and technological research alone can lead to a reduction of costs and an improvement in quality is also one of the first desiderata Since August 1934 attempts have been made by sugar producers to devise a marketing scheme for the avoidance of wasteful competition by apportioning markets, and also compel the reduction of imports to retain and develop the Indian market for Indian sugar Differences, however, arose and the scheme failed to find favour During the last year hopes of starting the scheme revived again and it was only the different situation precipitated by the unexpected addition to the excise duty that compelled the Indian Sugar Mills Association to take up the idea of forming a syndicate to regu-

late sugar supplies and prices This has certainly been the outstanding development of recent months and it may also to claimed that the new spirit of co-operation has enabled the industry to present its case for the renewal of protection most successfully

The principal features of the preceding year were the continued increase in mills and an advance in output The year shows an increase in the acreage under cane placed by the final forecast at over 4 4 million acres of which 3 5 million acres were under improved varieties but for the next season there will be a reduction in the acreage The estimated output for 1936-37 was 70 million tons of cane and the outturn per acre was considerably higher at 16 5 tons The crop in the U P , was affected only slightly by the heavy floods of 1936 and in Bihar the crop was well above average The estimated output of raw sugar in 1936 increased from 6 1 million tons to 6 9 million tons A larger percentage of the cane grown was utilised in cane sugar factories, but the bulk of the crop as usual was used in *gur* manufacture The annual import declined to 23,075 tons, whereas the Government of India estimated that imports reach 110,000 tons The devaluation of the guilder in October had no sensible effect on sugar prices, and fears of large imports from Java were not fulfilled The annual internal consumption did not show any increase, being stationary about 1 1 million tons The total production in 1935-36 was about 1 075 million tons, and even with the better economic conditions prevailing last year, consumption did not expand to any extent, and the estimated annual output for 1936-37, namely, 1 2 million tons will possibly exceed the demand

The prosperity of previous years was not in evidence, and the financial results of the leading mills suffered by comparison with preceding years The sugar market was in a state of suspended animation and heavy accumulation of stocks induced a general decline in prices The industry convened a conference of manufacturers early in January, but no agreement resulted between the trade and the factory owners The former complained of inferior quality and sharp practices, while the latter criticised the unhelpful attitude of the merchants A slight rally in world prices towards the end of 1936 had no stimulating effect on prices in India and the industry again took up the question of organising the selling arrangements A great surprise was in force for the industry in the 1937 Budget The Finance Member in order to recoup the loss occasioned by the fall in imports of sugar raised the excise duty from Rs 1-5 cwt to Rs 2 The defence of the step only increased criticism and in spite of the legislature's disapproval the excise was raised to Rs 2 from March 1 Native States also raised the excise to the higher level, and the spokesmen of the industry who had expected some relief were pained by the negative attitude of the Finance Member who observed that one effect of the higher excise would be to weed out inefficient producers A more important event was the appointment of a Tariff Board to enquire into the necessity of the renewal of protection for a further term of seven years The Board which started on its work in May consisted of Sir G T H Bracken, Mr F I Rahimtoola and Dr L C Jain It has lately finished its sittings and the evidence presented has largely favoured the retention of the tariff

The difficulties of the industry after the commencement of the year were intensified by the failure of demand and prices to respond and the imposition of the higher excise induced a feeling of despair Bihar factories decided to curtail the working season while the southern U P factories also decided to end the crushing season by April 15 The Local Governments concerned regarded such a decision with alarm, for the bulk of the crop was yet to be treated and even if cane prices were low, the ryot had little chance of disposing of his crop to advantage The minimum prices were reduced and railway companies were prevailed on to reduce freight The factory-owners were persuaded to crush cane up to the end of May as usual, and only the reduction in cane prices had the merit of offsetting slightly the burden imposed by the higher excise

The industry, however, is now more conscious of the unity of interests and the Indian Sugar Mills Association held a conference during April 1937 at Calcutta to examine the position of the industry The marketing scheme was investigated and as a result of efforts the Indian Sugar Syndicate was established in July The duty of the Syndicate will be to reduce fluctuations in prices, take over accumulated stocks and stimulate consumption The formation of the Syndicate had a favourable effect on prices though the traders are disposed to watch its working before considering that the scheme is the first step in voluntary rationalisation of the industry The agricultural aspects of the sugar industry re-

ceived considerable attention at the Sugar Conferences held under the auspices of the Imperial Council of Agriculture

The idea of 'Zoning' of the cane supplies commanded considerable attention and the problem of raising prices through the improvement of marketing methods also was discussed at length The I C A R's Marketing Adviser at present is engaged in marketing survey and the H B Technological Institute of Cawnpore is to be strengthened soon by the addition of marketing experts Doubts expressed in regard to the limits of cane cultivation reflected the lack of confidence and the fall in 1937-38 acreage will certainly be viewed with relief The sugar manufacturer's problems have also received greater attention and the central marketing scheme long adumbrated is sought to be realised through the Central Syndicate which was established after the Conference held in April 1937 The Syndicate has arranged to take over all surplus stocks and by preventing forced sales has succeeded to some extent in maintaining prices

The problems of the industry remain the same as last year More than once we have stressed the urgent need for organisation and stabilisation Prices during the past year have been lower and though good cane at low prices has been readily forthcoming, the U P factory owners have not been too eager and worked this season only at the request of the interim Minister The question of disposal of molasses has become more acute after the levy of a higher excise duty Except in Mysore State, no considerable results have been achieved in the utilisation of molasses but the question of preparing power alcohol is now receiving increasing attention Allahabad experiments on the uses of molasses as a fertiliser indicate another promising outlet, and the Forest Research Institute is considering the prospects of using bagasse in the manufacture of paper The industry's problems will have to be largely solved by concerted voluntary effort, for the Government, beyond providing the initial facilities at the Technical Institute at Cawnpore and the cane research stations for the work on the agricultural side probably expected the industry to undertake independent solution of its problems

The sugar industry's experience in 1937-38 was not uniformly favourable, and a spokesman of the industry reviewing developments over the year drew attention to other questions besides the delay in the publication of the Tariff Board report The most arresting features of the year are the progress made by the Central Syndicate in the matter of stablising sugar prices and bringing the trade back to their normal conditions and the efforts made to bring back order into the industry by the governments of Bihar and U P The Bihar Ministry passed legislation, which had the support of a fairly large section of the industry, with a view to regulate production and assure cane-growers of a fair return A measure on the same lines was accepted by the U P legislature, and in spite of widespread criticism that the degree of control aimed at was too ambitious, the control laws came into force immediately after their passage by the legislatures Equally important in some respects was the appointment of committees to examine the question of manufacturing power alcohol, especially, after the advent of prohibition in more than one province which implies the closing of distilleries The U P Committee recommended that alcohol from molasses should be given special advantages, while a similar committee in Bombay came to the conclusion that the making of alcohol for fuel was not a practical proposition

1938-39

A substantial increase in sugar imports uring 1938-39 followed by a further increase in the first quarter of 1939-40 brings out clearly the reduction in the output of the sugar mustry in the last year This was largely due to the reduction in the acreage and outturn of cane caused by the floods due to the reduction in the acreage and outturn of cane caused by the floods in North Bihar and the poor crop in the U P Higher cane prices were a consequence, and the difficulties of the cane industry were accentuated by the levy of a cess of 0-0-6 per maund of cane in the two major sugar-producing provinces The continuance of an upward trend in sugar prices brought no relief as expected, and with the increase in factories to 143 from 136 in 1937-38 the margin of profitable operation was reduced Sugar company reports indicate that while prices and marketing were helped by the existence of the syndicate, more than a year old, the position in the industry was none too good The prospects too are uncertain, and the differences between the Provincial Governments and the industry are being examined by a representative committee.

The Government of India's action on the Tariff Board report which was released at the end of March came as a surprise to the sugar industry The institution of a further inquiry, the renewal of protection for two years only with the duty reduced by eight annas per cent while the Board was against any change were not so fruitful of misgiving as the resolution rebutting the Board's views on the effects of the higher excise duty The industry's case has, however, been proved, and the success of the witnesses who gave evidence before the Board may be seen in the Board's observations on what the tariff has done for the consumer The change in the taxation of sugar made by Khandsari factories effected in the Budget for 1939-40 was in orer to increase the revenue by amending the rules The rate of excise was reduced to 8 annas per cwt from Re 1 per cwt The amendments were adopted without change, and the only other measure calling for notice was the Sugar Industry Protection Bill Government's underestimate of the yield of the excise is presumably based on anticipations that the output of sugar this year also will be below 1 million tons, but the larger imports were to be stimulated by the reduction of import duty from Rs 9-4-0 to Rs 8-12-0 per cwt In spite of arguments that the reduced duty should take effect from November only, the lower tariff came into operation at once, but since July, the accumulation of stocks has caused a falling off in imports, while Java's readiness to sell has diminished with the apprehensions of a world shortage of sugar which the International Council was called upon to deal in July The changes in world quotas are of no interest to the Indian industry India has no exports except those to Burma, and the recent prohibition of imports by land into the latter country will make no difference The self-sufficiency of India in the matter of sugar in a bad season is, however, not quite adequately based, and the industry has been largely concerned with the improvement of cane cultivation and the efficiency of factories The Tariff Board has recommended the encouragement of power alcohol distillation and the provision of increased grants for agricultural research from the excise duty proceeds immediately These have been examined by the Special Sugar Committee of the I C A R which has endorsed them, and it has been urged that the control legislation in Bihar and U P casts a special responsibility in for improving cane cultivation in the two regards to the encouragement of research provinces

The official review of the industry published in March shows that total factory production in 1938-39 amounted to 756,000 tons, over 8 million tons of cane being crushed The percentage of recovery fell off slightly from 9 38 per cent in 1937-38 to 9 33 per cent but the difference between the Java average and the maximum attained in India is quite small The introduction of the control legislation has brought some relief in recent years for the licensing of factories will avert the dangers of over-production the fixation of minimum cane prices for a season adjusting cane prices to sugar prices as prescribed although not on a sliding scale every fortnight, at a level substantially higher than the minimum of 5 annas 3 pies per maund in the previous year was a result of the fall in the total acreage to 3 1 millions from 3 87 millions Since the beginning of 1939 the prices for cane were revised in both U P and Bihar and these enhanced rates testify to the shortage of cane that was responsible for the fall in sugar prouction As mentioned previously the provincial governments collect a cess on production of cane made by factories, and a considerable part of the total yield of the cess estimated at Rs 44 lacs is to be applied to cane improvement, roads etc in the interests of the sugar industry

The average prices of Indian sugar for the second half of 1938-39 was Rs 10-4 per maund while imported sugar was quoted at Rs 11 per maund on anaverage The international uncertainty and the delayed monsoon provoked a feeling that a sugar famine would develop Although home stocks were not very low, imports were stimulated by the duty reduction, and the price of sugar rose to Rs 12 and over per maund in May This was followed by a reaction, and the decline in both home and Java prices caused a crisis in the sugar trade towards the end of June, 1939 The Sugar Syndicate had the situation well in hand, and the progress of the cane crop led to the disappearance of apprehensions that sugar prices would stand at too high a level—a development that might in turn force the Government of India to reduce the import duty

The violent swing in prices this year was a consequence of the exceptional conditions of 1938-39 in the sugar industry The one favourable feature to which one may refer here is the narrowing of the difference between the prices for imported sugar and Indian sugar which must be, on the whole, favourable to the Indian sugar The crisis produced by speculation was in no wise due to the Sugar Syndicate's policy as was promptly explained, and the market promises to be stable at lower levels The larger carry-over will presumably offset the reduced output anticipated The boom has, however, caused a serious dislocation in the sugar trade, and the marketing arrangements may call for alteration in both method and structure, with the Sugar Syndicate playing a more prominent part The views propounded in Mysore and the U P by expert committees as regards power alcohol manufacture have not been followed by any striking developments In Upper India, the prospects are not certain, but in Mysore, the company is on the threshold of important developments which will enhance its usual prosperity

The contraction in investment interest in sugar shares affords proof of the very mixed nature of company results With the exception of a few units, the industry was not in a position to maintain dividends even at the former level, and the possibility of an increase in factories outside Bihar and the U P cannot be dismissed, although inducements to set up new mills remain very slight at present The differences of opinion between the Syndicate, which favours the *status quo*, and certain commercial organisations which advocate freedom for the industry to develop in provinces like Bombay may not lead to decisive developments, but regulation and planning on an all-India basis will now be supported for various reasons

INDUSTRIAL SECTION:

THE IRON & STEEL INDUSTRY

The iron and steel industry has come to occupy a more important place in Indian economy and the public has been prepared for a great expansion of the industry in India during the past year The flotation of the Steel Corporation of Bengal in May 1937, afforded a gratifying indication that the industry would continue to develop, and the Tata Company's progress in 1937 was such as to inspire the hope that when the existing tariff concessions are withdrawn, the industry would be able to stand on its own legs The prospects of iron and steel, thanks to the rearmament policy of European nations, were never brighter and the Indian industry's position too has shown considerable improvement The industry has great natural advantages and Mr Dunn of the Geological Survey of India has lately drawn attention to the mineral resources of the Singhbhum District of Bihar which can be compared to the northern part of Ontario As regards iron ore, limestone and coal, India is now considered to possess great advantages and the adverse experiences of the small units working in the 19th century is now belied by the great success attained by the Tata Co, and the Indian Iron and Steel Co The proximity of good class coal to the iron ore deposits must be regarded as the main factor making for rapid progress and although there have been fears that the coking coal supplies in India may give out, proposals aiming at the conservation of the country's coal resources now render it improbable that the industry's advance will be retarded by any shortage of the right kind of fuel In Europe and America, transport costs are appreciably higher and the cheapness and quality of Indian iron ore and its proximity to coal fields are not equalled in any other country Nature has done more than her share in providing the essentials for the iron and steel industry and so far as labour is concerned, experience has gradually provided a trained labour force whose efficiency is gradually rising There has never been any fear as regards any shortage of the volume of labour and the iron and steel industry during the last year has done enough to guard itself against labour unrest in any form

India's increasing consumption of iron and steel makes any anxiety concerning markets almost superfluous India has been a large importer in the past and the domestic production can only satisfy part of the existing demand On the other hand, there has been a shrinkage of imports owing to the reluctance of supplying countries to provide anything like the previous quantity and the shortage of supplies and the advance in prices have combined to confer a reasonable degree of security and an assurance of profitable working for the Indian industry Apart from the existing demand, the increasing industrialisation of the country makes it certain that the demand for iron and steel and manufactures thereof will not decline but will increase considerably The substantial progress made by the subsidiary industries established in conjunction with the iron and steel industry during the past few years affords a reassuring indication of what a prosperous steel industry can do for the country The benefits obtained by the tinplate industry, the wire and nail products industry during the past year have been real and tangible The wagon-building industry too has now turned the corner and the Indian railways' renewal programme spells a period of activity and prosperity The plants of the subsidiary companies located round Jamshedpur are all likely to share to the fullest extent in the prosperity of the parent industry The foundries and workshops scattered over all provinces are also likely to experience the benefits accruing from the expansion of iron and steel production after a period of depression in which progress was at a relatively slow pace compared with the very substantial expansion

of the steel industry in America and Europe Round Jamshedpur, as the reader is aware, there are numerous plants based on the iron and steel produced by the Tata Company and their progress in recent years despite unfavourable trade conditions is indeed a happy augury of what is to come The industries, which have followed the establishment of the iron and steel industry at the main centre, are the most complete indication of the potentialities of industrial development in this country and the great natural advantages of the iron and steel industry and its growing prosperity have come to reinforce the hopeful prospects that these subsidiary industries have now before them

The iron and steel industry was the first to be investigated by the Indian Tariff Board The Board appointed in 1923 reported in favour of protection and the Indian Legislature passed an Act recommending the levy of specific duties on imported iron and steel materials and the grant of bounties for the manufacture of rails, fishplates, etc The engineering side also received the benefit of 25 per cent duties on fabricated steel and the Act also made provision for the protection of the recently born tinplate and wire and nail industries The scheme of protection was revised in consequence of a heavy and unexpected fall in Continental steel prices and the rise in the rupee exchange to 1s 6d The Tariff Board recommended an increase in the duties on imported fabricated steel The Government of India accepted the findings, but held that a scheme of bounties was preferable to the steep increase in duties recommended, and the Board itself approved the proposal to grant a bounty up to Rs 50 lakhs on steel ingots produced

Subsequent tariff board enquiries adopted the scheme of bounties introduced in October 1924 and an act of the Indian legislature in 1926 amended the former Act and provided for higher specific duties A later enactment in 1927 extended protection till 1933-34 and conferred power on the Governor-General-in-Council to increase the duties, if protection was threatened by dumping Prior to this, the statutory enquiry of the Tariff Board reviewed the working of protection and recommended two scales of duties, basic and additional, the former applying to British manufactures and the latter governed by the prices of Continental manufactures Though the margin of protection was based on the Board's view that all possible encouragement to Indian Steel should be given through State purchases found favour, and in the case of fabricated steel also, the Board held that the use of Indian products should be encouraged by the railways and other consumers Tariff changes since 1927 were not of any moment and the revenue duty on imported pig iron also was retained The progress of the Indian industry was examined from time to time by the Tariff Board in connection with inquiries in relation to the wire and nail tinplate and galvanised steel industries

The working of protection was investigated thoroughly by the last Board appointed in August 1933 and its conclusions deserve to be set down The Board considered that the scheme of protection adopted in 1926 had proved successful and that the expected reduction in prices had been effected and that a stage had been reached when on all articles sold by the steel company in competition with Britain, it was possible to say that on imports either no protective duty is required at all or if any is required, the rates may be lower than the normal rates of revenue duty The Board added that if Continental steel products were sold at fair prices the Indian industry could well stand their competition, and that the duties which were needed were more in the nature of anti-dumping than protective duties The Board recommended a duty of Rs 43 per ton on the imports of untested structurals from the Continent Rs 10 per ton on British bars (tested) Rs 39 per ton on Continental untested bars Rs 25 per ton on untested plate from the Continent On rails, fishplates, structurals and tested plates from Britain the Board recommended no duties On black sheets (tested) from the U K the Board recommended Rs 10 per ton and Rs 32 per ton on imports from the Continent Galvanised sheets were recommended to be subject to an import duty of Rs 10 per ton, irrespective of the country of origin On imports of fabricated steel from countries other than Britain a duty of Rs 40 per ton was recommended The Board advised a duty of Rs 38 per ton on British tinplate and Rs 57 per ton on Continental On imports of wire nails, the scale recommended was Rs 25 on British and Rs 60 on foreign A duty of Rs 57-8 per ton was recommended on cast iron pipes imported from foreign countries, while British pipes were to be allowed free entry The more important part of the Board's proposals related to the recommendation that even the revenue duties on rails and tested sructurals should be removed or in the alternative, countervailing excise duties should be levied on internal production The Government of India accepted the recommendation of the Board, but preferred equalising duties to the removal of the

revenue duties The principle laid down in 1929 and followed since, that in the main, the amount of protection should be the difference between two prices (1) the c i f price at which foreign steel is likely to be landed in India without duty and (2) the price at which the Indian manufacturers can sell at a reasonable profit which was termed the fair selling price In the 1933 report also, the Board based its recommendations on the same principle after reviewing the working of the protective scheme in force for the previous seven years The Board noted the larger share of the Indian market now supplied by Indian manufacturers The share obtained by the Tata Company rose from 30 per cent in 1927-28 to 72 per cent in 1932-33 Imports were consequently reduced and foreign plants were working at a level much further below their capacity compared with Tatas

The reduction in costs obtained by the Tata Company as a result of expansion and experience formed the subject of approving remarks, but the view that even the revenue duties were superfluous induced the Government to levy an excise duty of Rs 4 per ton on steel ingots and countervailing duties on imports by the Iron and Steel Duties Bill of 1934 The Board's report was the subject of serious criticisms, and the objection in principle to differential duties, the introduction of Preference by the back door, and the practical termination of protection formed the main points of attack In the succeeding year the industry passed through a period when the effects of the tariff changes made themselves felt Imports increased and domestic production was affected to some extent by the levy of the excise duty Prices too were lower and the Tata Company had to work for a reduction of costs in order to bear the excise duties, which amounted to Rs 35 lakhs and also the lower level of prices while freight rates also, especially, on the E I R , proved a source of disadvantage But the Company increased the efficiency of the plant and raised the output thereby Equipment was kept in first class condition and a second sheet mill was brought into production Better results were obtained from the coke plant and a battery of coke ovens was under construction

The progress made by the Company was reflected in the resumption of dividends on the ordinary and deferred stock last year and the higher dividends declared in respect of 1936 are an index of further progress and prosperity At the annual meeting of the Tata Company's shareholders Sir N B Saklatvala made reference to the fact that the Company was in a position to finance development out of earnings, and expressed the view that the adoption of a profit-sharing scheme as a mark of confidence in the labour force should yield valuable results The Chairman of the Company referred to the completion of the new steel mill, and said that with the mill in operation and the possibility of manufacture at the lowest possible cost, India should be practically independent of all imports The proposed tube plant to be worked in conjunction with Messrs Stewarts and Lloyds and the construction of a hoop and strip mill formed the subject of optimistic remarks and the efficiency of the old furnaces and ovens and the adoption of the latest methods for the proposed developments were also mentioned in the Chairman's review

The progress of the Tata Company in the past year does not form the principal feature 1936 will be memorable for the reconstruction of the Indian Iron and Bengal Companies The merger and reorganisation of capital has been the subject of a special supplement of *Indian Finance* in which attention was drawn to the prospects of pig-iron and the proposals to concert arrangements to establish a steel plant in co-operation with Tatas After protracted negotiations, the scheme was abandoned, but while Tatas decided to carry out their own scheme of development independently, Indian Iron also decided to prosecute their scheme and sponsored the formation of a new plant at Hirapur to work with the hot iron provided from its furnaces and also to give facilities as regards land, water and lighting, etc The Steel Corporation's promoters have promised that the work of installing plant and equipment should be completed in 2½ years and the annual output of 200,000 tons from the new plant will be an important addition to the Indian steel industry's production

1938-39

The iron and steel industry's development proceeded uninterrupted during 1938-39 and the flourishing condition of the Tata Iron and Steel Company was responsible for a striking increase in dividend payment in respect of the last year The industry all over the world—America being a significant exception—maintained its former high state of activity, and the success with which prices were maintained in Britain, has shown what central control can achieve

The virtual completion of the Steel Corporation's plant, the increased output of the Tata Iron and Steel Co., the total production for 1938-39 being a record for any single unit in the Empire, and the striking stability of prices since the revision carried out in January stand out as the most striking features of the past year in the iron and steel industry. Labour troubles have been happily resolved by the beginning of August, and the proposed extensions to sheet mills at Jamshedpur have attracted as much attention as the news that the labour force is to receive a higher bonus for 1938-39. The iron and steel industry more than any other in India has made progress, and the recovery in steel output in Britain after the prices were lowered in December finds a parallel in India. Rearmament has not been without a specific influence in determining the fortunes of the industry in India for until the end of 1938 the position in the U. S. A. and Britain was none too secure, and the changes in export prices for sheets made last summer provoked a certain amount of apprehension as regards foreign competition in the Indian market. The total imports of steel during 1938-39 were, however, lower than in the previous year under both protected and non-protected varieties. The total quantity was 44,885 tons only, imports from all countries showing a substantial decline compared with 1937-38. Imports of fabricated steel and steel manufactures showed a similar decrease, and falls are shown in the trade returns under beams, channels etc. bolts and nuts, hooks and stripes, nail etc. Imports of galvanised sheets fell away further, and the only items to show an increase were tinplate and rails and fishplates. Total imports of iron and steel dropped to 223,607 tons in 1938-39 from 274,572 tons in 1937-38, the value also falling from Rs. 6.66 crores to Rs. 5.83 crores. The setback in imports restores the balance since the previous year saw a rise in imports.

The progress of the Indian industry may be measured of the following figures. The total production of ingots rose to 977,500 tons from 921, 800 tons in 1937-38. The production of semi-finished steel advanced to 934, 800 tons in 1938-39 as compared with 871,900 tons in the preceding year. The fall in the pigiron output from 1.64 million tons to 1.57 million tons is herefore understandable. The increased absorption of iron by the steel industry is reflected also in the fall under exports of pigiron from India. These amounted to 514,500 tons for 1938-39 against 629,200 tons in 1937-38. Exports of scrap showed only a slight fall, but the prospects of improvement are bright in view of the expected increase in U. K. demand for both pig iron and scrap. The tariff advantage should be of some help to Indian exporters whose exports last year to U. K. were less than in 1937-38 whereas exports to Japan showed a further increase over the shipments in 1937-38. The progress made by the new company in regard to construction brought up the question of disposing of its annual production. It is generally believed that a tentative agreement has been reached and the outstanding feature of recent months has been the rise of Bengal Steels to par and over on the stock exchange. In the rerolling industry also the prospects of a settlement, promoted by official intervention, are not remote and the healthy state of the order-books suggests that as regards 1939-40 the position is quite secure. Iron and steel prices in India have been quite steady and the slackening of forward demand since June may only the result of the prevailing uncertainties. The delay in the appearance of the TISCO report prevents un from touching on the details of the progress made last year. The proposed additions to productive capacity including a new blast furnace, the impending solution of differences with the labour union and the generally expected increase in dividends to shareholders will, necessarily be important features of the annual statement. The steady growth of the industry since March 1939 is attested by the production figures for recent months, and there is little doubt that the confidence of the industry in its capacity to stand without production in the near future should have been strengthened as a result of the year's developments.

INDUSTRIAL SECTION

THE INDIAN PAPER MILL INDUSTRY

The Indian paper industry is somewhat unique amongst the protected industries of India in that, in this case, the production of the requisite raw material has to be stimulated by special efforts even as to the production of paper itself The question first came up before the Tariff Board in 1925 and the Board found that an Indian paper industry using *Sabai* grass as its raw material could not establish a claim for substantial production The Board at the same time came to the conclusion that bamboo pulp would be as suitable a raw material for the manufacture of paper, but the technique of utilising bamboo in the production of paper had not been sufficiently developed The Board, therefore, recommended that, while printing and writing papers of a certain wide range should be subject to a specific duty of one anna per lb the Government should also provide financial assistance to the paper mills to carry on the exploratory work necessary for the manufacture of good quality bamboos and its utilisation in paper manufacture The Tariff Board saw in the latter not only the means of providing a suitable raw material of indigenous origin for the Indian paper industry, but also the possibility of an export trade in wood pulp These possibilities they valued highly, as on the basis of the statistics then available to them, they had reason to believe that the resources, from which wood pulp was derived in Scandinavia and North America would before long be depleted, and that there would be a shortage of wood pulp In other words, the Tariff Board wanted India to step into the breach caused by the depletion of coniferous trees in Europe and America They also emphasised their view that the financial assistance and the protective duty on imports were inseparable and that the success of their scheme of production would be gravely imperilled, if their recommendations were treated separately and not taken as a whole

In determining the rate of protective duty the 1925 Board observed significantly "It is not enough that the paper (to be excluded) is not made in India or even that it cannot be made in India The vital points are that it does not compete with Indian paper at present, that, if excluded from the protective tariff and so made relatively cheap, it is not likely to compete and that it should be possible to define it in such a manner that it can be readily identified for Customs purposes" These recommendations of the Tariff Board were embodied in the Bamboo Paper Industry Protective Act which was passed in September 1925 As a result of this Act, a specific duty of one anna per lb was levied on printing and writing paper The Government of India, however, rejected the Board's recommendations for the grant of financial assistance to the mills conducting experiments with bamboo

It is, therefore, not to be expected that in the six years following, the scheme of protection adopted in 1925 would be a convincing success In the first place, imports of paper, even of the protected varieties, increased greatly Secondly, wood pulp was imported on a large scale and the expectations in regard to the progress of the manufacture of pulp from bamboo, did not materialise On the occasion of the 1931 Tariff Board enquiry, it was generally held that protection to paper was a failure and that the attempt should be abandoned The Tariff Board, however, showed convincingly that the scheme was, on the whole, a success For, in the first place, the manufacture of paper in India increased between 1924-25 and 1930-31, from 27,000 tons to 39,000 tons Owing to the fall in the imports of paper in 1931, which was the first complete financial year of the depression, the share of the Indian mills in the total consumption of paper of the protected varieties, increased to as much as 71 09 per cent The increase in the imports of wood pulp might appear to be a weak spot, but it should be remembered that the financial assistance recommended by the Board was not afforded It is also worth noting that,

but for the increase in the imports of wood pulp, expansion of indigenous production could not have been brought about, and in so far as the imported wood pulp helped such expansion and increased payments in wages and the like, they must be held to have been to the advantage of the nation as a whole The 1931 Board, therefore, had no compunction in recommending the continuance of protection to the paper industry, for it held that the withdrawal of the protective duty would inevitably lead to the disappearance of bamboo as a paper making material, and that in view of the approved possibilities of bamboo, and the anticipations regarding shortage of wood pulp, the disappearance of bamboo would be a national loss In order to further the development of bamboo, the Board insisted that a direct incentive for the manufacture of bomboo pulp should be offered and that its most suitable form would be a duty on imported pulp As the Board recommended only the continuance or the import duty on paper at the previous level, no changes were effected beyond the raising of the percentage of mechanical wood pulp qualified for exemption from protective duty from 65 per cent and over to 70 per cent and over, and the imposition of a protective duty of Rs 45 per ton on imported pulp When the revenue surcharge of 25 per cent was levied in 1932, the protective duty on printing paper came to one anna three pies per lb and that on writing paper to one anna and three pies per lb or 18¾ per cent *ad valorem,* whichever is higher Likewise, the protective duty on wood pulp was increased to Rs 56-4 per ton

Then the main problem of the Indian paper industry turnedout to be one of the classification of papers for Tariff purposes It may be easily appreciated that the classification is at once an important and difficult matter, for the various classes of paper have clearly a competitive significance to one another, and in any properly-devised scheme of protection, it is important that papers, which do not compete with the products of indigenous industries should not be handicapped by a heavy duty, as that the papers which could well compete with the Indian products should be left exempt from the protective duty The 1925 Act referred only to printing and writing paper, and gave only an inadequate description of the various kinds which would be subject to, and which would be exempt from, the duty The 1931 Board was content to observe that the definition of papers which may be classified as printing and writing according to trade usage, should be examined by a conference with representatives of all the interests concerned

The experiences of the years following showed how immensely important it was that the classification of paper should be definite For there was almost endless wrangle between the Customs authorities and the importers as to the classes of paper which were subject to duty Accordingly, the Indian Tariff Board was required in 1935 to examine this question The results are set down in the tabular statement at the beginning of this section The revision of the tariff was made in 1936, in accordance with the Board's views

For an idea of the magnitude and distribution of the paper mills in India, it should suffice for the purpose of this review to give below the account contained in the last Tariff Board report which reviews the progress made since 1931 A new mill named the Gujrat Paper Mill at Ahmedabad began manufacture in 1935-36 The Punjab Paper Mills which was in liquidation in 1931 was taken over by a new company and manufacture started in April, 1937 under the name of Shri Gopal Paper Mills The Andhra Paper Mills was said to be undergoing reconstruction at the time the report was under preparation The number of mills actually working in 1937-38 was ten There has been no increase in the capacity but a steady improvement in output has been reported especially under printing papers while small irregular increases have been noticed under both writing and Badami also The increased production of indigenous pulp compared with imports since 1930-31 stands out as a noteworthy feature of the development since 1930-31 The quantity of bamboo pulp used has risen in the six years from 5,228 tons to 19,281 tons, of grass pulp from 9,049 tons to 11,510 tons, and of other pulp made from indigenous materials from 5,992 tons to 7,919 tons Imports of pulp declined during the same period from, 20,081 tons to 10,976 tons The protective duty plus the surcharge amounting to Rs 50-4 per ton stimulated the production of pulp in India

Important developments are now in progress Apart from the reconditioning of two mills, four new mills were under construction and manufacture began before the end of 1938-39 One of them is in Bihar and others are located in Mysore and the U P One of the new mills will specialise in Kraft paper New paper

mills, for instance that projected in Hyderabad State will rely on bamboo and grass of which indigenous supplies are available in nearly all provinces The total quantity of bamboo available is estimated at 600,000 tons and at least 12 different varieties are considered suitable A small mill in Travancore has found the *eta* reed suitable and hydroelectric development in South India may bring in its wake new paper making enterprises Grass is apparently not so important as in 1931 and except for the Punjab mill the local supplies are quite adequate Both the cost of bamboo and grass have fallen according to the Tariff Board which believes that the paper industry in India will continue to use both grass and bamboo pulp for manufacture Waste paper, cuttings, pulp from rags, jute and textile waste are subsidiary raw materials for which the prices are higher and these subsidiary materials are necessary The demand for these is expected to improve as a result of new paper mills coming into production and the Tariff Board was of opinion that these materials should receive more attention and expressed a hope that the collection of waste paper, rags, etc , should become a regular trade Experiments with pinewood revealed the possibilities of making wood pulp in India but it is still in the experimental stage Bagasse is said to be a suitable raw material and the manufacture of insulating and press board from bagasse has been the subject of experiments at the Dehra Dun Institute

In spite of the reduced quantity of pulp imports the industry cannot dispense with it altogether Imported pulp is necessary for making certain classes of paper and a reserve of imported pulp is designed to prevent a shortage in the event of a failure of the pulp manufacturing plant The high prices of imported pulp in recent years has led to a reduction and the original objective—the increase of pulp production from indigenous materials—has been attained The auxiliary materials magnesite, lime china clay, resin and alum are obtainable at home but caustic coda, soda ash, saltcake, bleaching powder and dyes have to be imported by the industry The higher proportion of Indian supplies to imports is a consequence of improvement in quality and the establishment of a chemical industry in India promises to reduce the dependence on imports while the mills will have no need to set up bleach making electrolytic plants of their own The reduction under imported pulp, thanks to the increase of bamboo and grass pulp, shows that the protective duty imposed in 1931 has been effective Home supplies of both pulp and essential chemicals are believed to be adequate and the lack of mechanical woodpulp need not interfere with the progress of the industry

The Tariff Board has observed that even if the Indian industry is unable to meet the demand for cheap classes of paper made from mechanical pulp the remaining classes of paper, the total demand for which may be estimated at 90,000 tons, constitutes a wide enough field for the development of an industry sufficiently large to be considered as of national importance The Tariff Board has drawn attention to this possibility of producing bamboo pulp for export in the form of pressed sheets to Australia and Japan The works cost of producing pulp is known to have fallen considerably and improvements in paper making methods have been commented upon favourably in the Tariff Board's report India, as the pioneer in bamboo pulp manufacture, cannot expect to have the same low cost as foreign competitors using mechanical wood pulp but the covering of costs achieved since 1931 cannot escape notice Total production costs are known to have fallen but the Board after reviewing all the circumstances held that the import duty on pulp should not be less than Rs 35 per ton or 25 per cent *ad volorem* The duty reduction was expected to lead to a further reduction in manufacturing costs since a proportion of imported pulp is used by several paper mills

Discussing the claim for renewal of protection after the lapse of the former term in March, 1939, the Board held that raw materials, fuel, water and labour were ample and observed that by the end of 1936-37, imports of protected papers amounted to 12,000 tons while Indian mills produced 43,364 tons of protected varieties in addition to over 5,000 tons of unprotected varieties Newsprint constituted more than half the total imports of 65,780 tons in 1936-37 under the latter head It is worth noting that consumption has risen by 66,656 tons between 1930 and 1937 an average annual increase of 951 tons The literacy drive may lead to more rapid expansion of demand and the prospective annual increase is estimated at 1,500 tons

The preference given to Indian Paper Mills for government tenders has enabled

them to retain an important part of the demand but the disquieting possibility of an increase in production in excess of the total demand by 1940-41 invests the future with uncertainty The dangers of acute competition and the emergence of a rival to the Indian Paper Makers' Association which has succeeded in controlling the price level and reduced the burden of protection to the consumer in India, are not to be ignored The Controller of Printing in his evidence referred to the improvements in the quality of Indian Paper and the gradual reduction in prices The renewal of protection was recommended for a further term of 7 years with the import duty lower at 11 pies per lb On the question of protecting local manufactures of cartridge paper, blotting, kraft and poster paper the Board declined to make recommendations in favour of Indian mills although as regards kraft paper the Board pronounced in favour of a further enquiry, say, by the end of 1939, when costs, etc , were ascertainable It was held desirable that Indian Mills should try to manufacture unprotected varieties in order to avoid overproduction of protected varieties The advantages of the industry making a contribution to the Forest Research Institute for a specific term of years were stressed in the report The capital invested in the industry is said to be over Rs 4 39 crores and the value of annual output exceeds Rs 2 crores , hence it was argued that besides the government the industry should make increased grants to the Institute which is investigating the possibilities of producing mechanical pulp in India so that Indian mills could produce cheaper varieties of papers now imported into India The Board's proposals were given effect to by amendments to the Indian Tariff Act

During this year paper prices tended to move down in sympathy with the fall in import prices and the higher average production of the Indian mills in nearly all months showed that the developments anticipated by the Tariff Board were inescapable Total imports of both protected and unprotected varieties of paper in 1938-39 were appreciably below the totals for 1937-38 and 1936-37 Imports from all countries and under all categories showed a decline but Norway and Sweden increased their exports of printings to India The total value of imports of paper, both under protected and unprotected kinds fell sharply from Rs 3 6 crores to Rs 2 78 crores but the quantity fell from 2,999,507 cwt to 2,531,529 cwt only The imports of paste-board strawboard, etc , declined during 1938-39 and the increase shown under imports of pulp and rags and other paper making materials can be explained by the rise in the Indian paper industry's output to about 54,000 tons in 1938-39

INDUSTRIAL SECTION:

THE INDIAN SALT INDUSTRY

THE PROBLEM OF PROTECTION

While the rest of India produces salt to meet the local demand, the Provinces of Bengal, Bihar, Orissa and Assam are unable, owing to climatic reasons, to be self-sufficient, having to rely on foreign salt Coastal imports from other parts of India not being available, these provinces had for half a century to eat mostly Liverpool and Hamburg salt and partly salt from Aden, Djibouti, Spain and Massawah Imports of salt into India are roughly 5,00,000 tons a year Supplies from Aden rose within the last 30 years from 40,000 tons a year to about 1,30,000 tons before 1931, when protection was introduced and to 2,60,000 a year thereafter The danger implicit in this dependence on foreign sources for a prime necessity of life was brought home during the War, when the stoppage of imports pushed up prices to Rs 274 per hundred maunds and Bengal had to endure a salt famine, as the Calcutta market was almost entirely controlled by foreign interests The question then arose of making India self-sufficient in the matter of salt and, things moving slowly in the post-war administrative machinery, it was not till 1927 that Mr D N Strathie, I C S, of the Salt Revenue Department of Madras was deputed by the Government of India to investigate His conclusion was that India could not manufacture its own salt, which was appreciably negatived by the arrival in the Calcutta market in that year of the first consignment of crushed salt from the newly constructed salt works at Okha and Karachi The Tariff Board then took up the enquiry, on a cut motion in 1929 in the Assembly

The Tariff Board reported in June, 1930, that conditions since Mr Strathie's investigations had materially changed and, given adequate protection, the Indian industry could be developed to meet India's requirements The Board's recommendations were —

(*a*) Stabilization of prices at Calcutta over a long period

This recommendation was intended to serve a double purpose, namely that, on the one hand, Indian producers, being assured a steady price at a level which would give them a fair margin of profit over the cost of production, would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and, on the other hand, the consumers would be assured of salt at a fair price and be protected against the danger of formation of rings and profiteering

The Tariff Board suggested introduction of two standards of quality, the first to correspond to Liverpool or Hamburg, the second to comprise all kinds of solar salt for the second grade a standard price of Rs 66 per 100 maunds ex-ship was suggested, and, since Liverpool salt normally stands about Rs 8 per 100 maunds higher than solar salt, the standard price for first grade salt was recommended to be fixed at Rs 74

(*b*) that Government should assume control of imports and the Tariff Board suggested the establishment of a *Marketing Board* which would purchase indigenous produce at the above standard rates provided they satisfied certain standards of quality

(*c*) that *inland sources* such as Khewra, Sambhar, etc should be developed so as to produce salt of the quality required for the Calcutta Market, and that to this end a fuller investigation of the possibilities of the Northern India sources should be undertaken

The Reports of the Tariff Board and the Salt Survey Committee were examined

by the Salt Industry Committee of the Legislative Assembly in March 1931, and they recommended the following scheme —

(*a*) that an additional duty of Rs 0-4-6 per maund be imposed on all salt, Indian or foreign, imported by sea into British India

(*b*) that the Executive should have power to increase this duty from time to time by amounts up to a total of one anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt plus duty as nearly as possible to the level of fair selling price (Rs 66) as adopted by the Tariff Board (It may be noted that at the time this recommendation was made by the Salt Industry Committee, the price of Red Sea salt, which was about Rs 53 per 100 maunds ex-ship Calcutta when the Tariff Board wrote, had come down to about Rs 36 per 100 maunds)

(*c*) that a rebate equal to the additional duty should be granted on imported Indian salt on the producers undertaking to deliver a stipulated quantity of salt to the Government any time at the fair selling price fixed by the Tariff Board

As regards disposal of proceeds from the above duty, they suggested that same should not go to benefit the general revenues of the Central Government, but that they should be ear-marked primarily for the establishment of a supply of salt at a stabilized and fair level to Indian consumers, and that, subject to this, the proceeds should be ear-marked for the following objects —

(*a*) the development of certain Northern India Sources in the manner recommended by the Salt Survey Committee e g , (increase of production at Khewra, geological survey at Panchbhadra, etc)

(*b*) investigation of the possibility of development of other sources of supply in India, e g , in Bengal, Bihar and Orissa, and generally on the East Coast

(*c*) any further measure that might be found necessary in the light of experience to secure the stabilization of prices, e g , establishment of a Marketing Board and provision of working capital and reserves for such a Board

(*d*) subject to the above, the balance to be distributed between those Provinces that consume imported salt and would therefore be bearing the burden imposed by the above duty

The Legislative Assembly accepted the recommendations of the Salt Industry Committee and the Salt (Additional Import Duty) Act, XIV of 1931, was duly passed An unfortunate feature of the above Act, however, was that its operation was limited to a period of one year only, but even this very restricted measure had a marked effect in giving an impetus to the indigenous industry, and when the position was examined again by the Salt Industry Committee in February 1932, they observed that it had been remarkably successful in receiving the particular object of stabilizing the price of white crushed salt at a level which would encourage the substitution of Indian for foreign salt and at the same time would avoid laying on the consumer a burden larger than was necessary to secure that object and the Committee accordingly came to the conclusion that the additional import duty on foreign salt should be continued While they recognised that any scheme designed to encourage a particular form of development in a manufacturing industry could hardly be effective unless its continuance was assured for an adequate period, they nevertheless recommended the extension of the above salt protection measure for another period of 12 months only, as they considered that it was necessary to examine further the position as regards Aden, the imports from which source during the year of protection had gone up by leaps and bounds out of all proportion to the increase in output from sources on the Continent of India proper, and the Committee were of the opinion that Government should consider the introduction of some plan which would preserve the essential object of the Tariff Board's proposals and would prevent Aden from capturing the whole market to the exclusion of other Indian sources It appeared to them that the essential purpose might be achieved by devising some plan by alloting quotas of the Indian requirements of fine crushed salt to the various sources of supply either as an alternative to, or in combination with, an import duty The Committee considered that, before adopting any plan on these lines, a conference of manufacturers should be convened to enable them to place their views before Government, and to enable this being done, they recom-

mended that the extension of the Act be limited to a period of 12 months only for the time being but in doing so they took care to emphasize that they did not contemplate any reconsideration of the general policy at the end of that period Their recommendations summed up were —

(*a*) that the existing Act of 1931 be extended up to 31st March 1933

(*b*) that during the year of extension the question of allocating quotas to Indian sources of supply be examined

(*c*) that during the period the subject of fair selling price of Indian salt be re-examined

The Assembly accepted the Committee's recommendations and the life of the 1931 Act was accordingly extended up to 31st March 1930, and thereafter year by year

The meeting of the salt manufacturing interests which was convened at Simla in May 1932, in pursuance of the Salt Industry Committee's above recommendation, however, failed to bring out unanimity between Aden and Indian interests The Indian interests represented at this conference, however, made out a case showing that, given continuance of protection over an adequate period, they could between themselves more than meet the entire requirements of Calcutta even without the help of Aden, and that, to that end, they did not anticipate any difficulty in the matter of distributing quotas as amongst themselves

The possibilities of establishing manufacturing centres in the provinces of Bengal, Bihar, Orissa and Assam were investigated during 1932 by Mr Pitt of the Northern India Salt Department and as can be made out from his report, he was not able to discover any such suitable centres

Since 1930-31, India and Aden salt received the first instalment of protection, which has since been yearly renewed on a twelve-month duration, foreign salt imports have been on the decline They went up in 1932-33 as a result of dumping by Italian salt works from East Africa, which brought down prices to Rs 40 Following this dumping, aggravated by the reduction of the import duty to Rs 0-2-6, cut-throat competition between Indian manufacturers disintegrated for the time being the indigenous industry Over-production was apprehended and the initial attempt in 1932 was made to form a Marketing Board for eliminating internal competition and stabilising prices Nothing came of it , and for the two subsequent years Indian and Aden manufacturers ran a close race of rate-cutting which presaged trouble for both Experience induced a more reasonable attitude , and a Salt Marketing Board was formed, composed of salt manufacturers supplying the Bengal market Its main purpose was to eliminate foreign imports and to organise Indian imports so that normal seasonal demand might be satisfied at prices approximating to the economic level fixed by Government An elaborate machinery in the form of a Control Committee functions in Calcutta to collect statistics, to study fluctuating conditions of demand and to make a reliable forecast of the future trend of prices with a view to co-ordinate supply and demand

Bengal is the key Province in regard to salt consumption and an undertaking was given by the Central Government in 1931 that a portion of the salt import duty would be allocated to Bengal to be expended on schemes for the development of Bengal industry The Government of Bengal, after holding up this allocation, agreed, in response to interpellations in the Bengal Council, to make up lost ground Several experimental measures are in progress to mitigate the climatic influences of Bengal on the manufacture of salt, one of which is the pan-drying system in vogue in Burma Actually, Bengal pays for protection, both ways, as the average annual cost to Bengal consumers on the additional tax is as follows —

		Rs
A	Extra tax on foreign salt paid by buyers direct to the Collector of Customs	8,00,000
B	Extra price paid to Indian and Aden salt under protection	21,00,000
	Total Rs	29,00,000

Central revenues received Rs 1,00,000 and Indian and Aden interests received Rs 22,00,000 Bengal thinks that Government has not made the best use of the Rs 7,00,000, received from the salt duty and private enterprise for the modern manufacture of salt in the Province is multiplying Against this debit Bengal revenues benefit only to the extent of Rs 7,00,000

In the current year's budget, the receipts of the Bengal Government from salt are placed considerably lower, but the efforts to stimulate domestic production within the province would appear to be bearing fruit

Apart from the campaign launched in February by Indian salt manufacturers for more complete tariff protection against foreign producers, including the Aden factories, there is no important feature to record But the legislature manifested little interest in the question and Bengal alone took the worth to discuss the issues over again The Indian salt industry succeeded in getting the additional duty renewed this year but the Finance Act of 1938 which reimposed the duty did not differentiate between Indian and Aden producers as desired by the advocates of protection An important point pressed by the small manufacturers of Bengal was satisfied by the assurance that their developments would not be prejudiced in any manner and they could hope to have a fair share in the provincial market

Between February and May 1938, there was a sharp fall in salt prices and large imports were made in anticipation of a change in the tariff The month of May was notable for the award made by the private tribunal to which the industry referred its case and the establishment of pool control on the former lines was accepted as a condition precedent Aden producers whose main case was that separation from India should not be interpreted to these disadvantages apparently gained their point when the duty was renewed and obtained a fresh victory in the final arrangements recommended by the Board Special provision was, however, made to give the small coastal manufacturers in Bengal and Orissa a chance to build up their enterprises and a quota of 20,000 tons was, therefore, reserved for the small manufacturers of Bengal This award was followed by a prompt recovery in prices, and nothing was heard of the Indian industry's demand for a full period of tariff protection instead of being subject to annual review since the salt import duty forms part of the Finance Bill presented almost at the end of the Budget session

Imports of salt in 1937-38 showed a small fall compared with 1936-37 at 346,876 tons, of which nearly the entire quantity was taken by Bengal The total imports were valued at Rs 55 68 lakhs as against Rs 60 48 lakhs in the previous year Aden and dependencies remained the principal supplier and Germany's share in the import trade was reduced considerably from Rs 13 2 lakhs to Rs 6 58 lakhs Other countries including Britain shipped less and India's own exports were negligible

The succeeding year witnessed no changes of great consequence to the Indian Salt Industry The stability of prices that was the feature until September 1939, was not effected by the fall in total imports during 1938-39 which amounted to 3 12 lakhs tons, Aden remaining as before the principal supplier The entire quantity was again taken by Bengal and the main feature was a further decline in imports from Germany but imports from Egypt and Italian East Africa showed increases The total value of imports showed a greater fall than the decline in the quantity imported by sea India's exports registered a welcome increase, but the total quantity shipped was small The most important of the subsequent developments was the promise that the industrial consumption was likely to increase, and the out-break of war produced a feeling of discomfort as to the adequacy of supplies although domestic production in 1938-39 was larger at 15,38,000 tons The feeling of apprehension was alleviated by reassuring communiques to the effect that supplies from Sambhar Lake are ample for Northern India's needs While the tightness of freight and other factors have had their inevitable consequence in the rise in prices that followed even after the action taken under the Defence of India Ordinance in regard to the control of prices of necessaries there is no great risk of a headlong rise The outlook for the domestic industry may be said to have improved in consequence, and the stoppage of imports from Europe may prove a helpful factor though no great reliance can be placed on the latter for a long time

INDUSTRIAL SECTION.

CEMENT MANUFACTURE IN INDIA

Portland cement was first manufactured in this country in 1904 at a small Factory (long since defunct) within the precincts of the city of Madras, but it was not until 1912 that the foundation of the present industry was laid In this year the Indian Cement Co, Ltd, was registered and was followed, in the two succeeding years, by the Katni and Bundi Companies At their inception, all these Factories were small but they endeavoured to meet India's cement requirements during the War period to the best of their ability and within the means at their disposal The War being over, there was a spate 1920 to 1923 brought the rush to increase capacities and new and large factories sprang up almost as fast as deliveries of machinery and plant could be obtained

1924 saw the infant Industry in parlous straits Most of the new Factories had been erected within the geographical marketing areas of the existing works and internal competition set up a scramble for business at any price for delivery over any distance, with the result that shareholders in the industry suffered appalling losses Various estimates of these place the figure at anything between Rs 2 to 2½ crores This state of affairs could not, of course, go on and in 1925 following the result of an enquiry into the Indian cement industry by the Tariff Board, the necessity for co-operation amongst the manufacturing companies was clearly emphasised and those interested in the management of such companies accordingly formed a pool known as the Indian Cement Manufacturers Association

In the smooth waters of the pool the Industry began to revive, selling prices were stabilised and the first step was taken in the development of markets for the excessive output Along these lines the industry progressed until 1930 by which time the lesson on the value of co operation has been taken in the formation of the Cement Marketing Company of India Limited

Under this company the selling arrangements of the member companies were centralised, and its charter was to ensure that each member company received a proportionate share—or quota—of the total business according to its rated output capacity

During the six years the C M I has been in existence, it has been succesful to the extent that it has provided each works with an off-take in accordance with the prearranged quota—with amalgamated funds, it has been able to apply the whole force of effective advertising and propaganda programmes to the betterment of sales, instead of having to dissipate the money available in keeping particular brands before the public

Unfortunately for the company, the possibility of sales is not uniform throughout the country and herein lies the main limitation in its charter Under the present system there is the position of a factory or factories being situated in the heart of large consuming areas but of not being allowed to supply to full capacity, whilst Cement from other factories situated, in some cases, hundreds of miles away, is being despatched to these areas, even perhaps past the very doors of the conveniently situated factories, to ensure they also get their quota of sales

It is unnecessary to enlarge on the waste thereby entailed Those responsible for the management and who are in close touch with the industry must and to realise the vulnerability of the present system, and therefore we had the Merger The scheme was very carefully thought out and was intended to rectify present defects, to bring about additional advantages and to consolidate the whole in a permanent form—that is to say to make the position of the Industry, and incidentally that of its Shareholders, unassailable It took several years of careful preparation and when the scheme came into successful operation it constituted

a national achievement unparalleled in the history of Indian industries

According to the merger proposals a company by name the Associated Cement Company of India Limited was floated with a capital of eight crores of rupees The basic proposal was to convert the shares of existing companies into shares in this company Ten companies agreed to join this merger Shareholders in existing companies will be offered cash or shares of a higher denomination in the new concern

According to this scheme the evils of the quota system above mentioned were eliminated The quota system is dispensed with and there are to be territorial markets by which factories whose producing capacity is unable to meet local demand will be equipped with additional machinery Thus freight and wastage is avoided The Cement Marketing Company became the selling branch and the Concrete Association of India, the propaganda department of the new company

During the year 1937-38 there was little to indicate any change in the fortunes of the industry The A C C 's merger proposals were carried out completely and the individual companies were wound up There was a further increase in home consumption and the larger output was disposed of to advantage To judge from the first year's working of the A C C the industry's dominant position in the home market seemed unquestionable, but the flotation of the new companies carried with it a threat of over-production The Dalmia Cement Company's intention to start a chain of factories—two of these have been opened during the year—made others besides shareholders of the A C C a little concerned over the future The emergence of competition implied that the original companies merged in the A C C would not be allowed to reap the fruits of rationalisation and a rate war has already been started What exactly is the output of the new factories completed and in progress and what will be its effect on the industry is a question to be settled by the future, but there is no doubt that a difficult period lies ahead The equilibrium between consumption and supply is likely to be disturbed for a long time and the opening of additional factories in the coming year may aggravate competition Besides the Dalmia group there appeared another company to equip a cement factory to serve East Bengal and Assam and this too will not fail to have a prejudicial effect on the supply position Remembering that in the last two years the older factories have not worked to their full capacity and they always retained a margin of production capacity to meet the anticipated growth of demand, the entry of three or more new factories is bound to result in a surplus of production It is true that imports of British and other cement continue to fall and that India is now practically self-sufficing in regard to her requirements of cement It is noteworthy that after the entry of the new factories the data relating to production are not available, but up to November the monthly output was generally in the neighbourhood of 90,000 tons It may be assumed that the production for the full year would have exceeded a million and odd tons against 980,360 tons in 1936-37

Imports during the year amounted to 31,923 tons valued at Rs 12 93 lakhs showing a fall in both volume and value Reference has been made to the rate war, heralded by a preliminary flourish of publicity to indicate that the new factories could provide cement as good as the qualities previously available, and the first few months of 1938-39 saw a pretty sharp fall in cement prices This suggests that cement has come to share the troubles of the jute and sugar industries where also too rapid development has left an excess of productive capacity Not that the trend of consumption has been reversed That still remains essentially favourable and the propaganda work of the A C C has been attended with uniformly favourable results as in the previous years Provincial Ministries have extensive road and bridge building programmes and the vigorous activity of the building industry in Indian towns has certainly increased the consumption of Indian-made cement Lower prices may stimulate consumption further, but the adverse character of the developments during the last year cannot be ignored Even if we suppose that consumption would be double that of 1930-31 when 634,180 tons were used, there is a probability that something like half a million tons would be left as a surplus when all the new factories enter into the production stage Remembering that Burma has now a cement factory of her own, there is little chance of India gaining a foothold in export markets unless it be in Afghanistan

There is reason to believe that the orderly development of the past years will be interrupted and the rate war provoked by competition may leave scars that will take a long time to heal The fears expressed

last year have been realised, and in this case, at any rate, there is reason to hold that had considerations of planning and national economy been kept in mind, there would be no such competition and dislocation of the price structure Anything that interferes with normal healthy progress should be regarded as ultimately damaging, and the Indian cement industry which is an important contributor to the earnings of such industries as coal and jute and pays something like Rs 2 crores on account of railway freight can certainly claim that if inter-provincial co-operation and co-ordination of industrial development is to be undertaken its case should be heard first and that competition should be regulated There is little doubt that from being an efficient and prosperous industry the cement industry has suffered a serious change amounting to a setback in the last months of 1937-38 But there are some reassuring features It was indicated at the first meeting of the A C C that the old company's development plans would not be affected and that the company would do its best to uphold the traditions of the industry and try to preserve its stability Much can and will probably be done to bring back poise and prosperity for it is not one company or industry that is now in danger of losing its balance

To the observations made on the condition of the industry in 1937-38 there is little to add The absence of the necessary statistical data makes it difficult for us to comment on the actual progress made during 1938-39 The price trend remained adverse, suggesting that supplies were running ahead of demand, and the fall in cement prices from August 1938 by over 30 per cent was followed only by a mild recovery in January The increase in the major producing combine's profits for 1937-38 does not, however, testify fully to the influences at work since the larger output and sales were compensating factors in the combine's working year ending July 31 A new factory at Rorhi took the place of an older establishment at Katni which was closed down The new factories of the other group were, however, contributing to a steady increase in production, and it has been estimated that total output in 1938-39 had risen by as much as 50 per cent to about 1 8 million tons Though prospects for both the groups may have been changed by the outbreak of war, it has been apparent in the last year that the failure of consumption to expand at the same rate as production may long prove a retarding factor The continuance of building activity in the principal towns at the same pace as before is deemed doubtful by many, but the industry's prospects should not be assessed on this basis alone The relaxation of competition and the rise in prices since the end of the year point to the action of corrective influences, and there is very likelihood that equilibrium may be restored earlier than the pessimistic prophets aanticipate The striking recovery in cement shares since the financial year ended proves that the investing public takes a more confident view of the industry's future, and the Defence Department's expansion programme is expected to give some support to the industry in the immediate future

INDUSTRIAL SECTION:

THE HANDLOOM INDUSTRY

The handloom industry in India is unique in that its importance in the economic life of the country has not been impaired either by its lack of organisation or its more or less primitive methods Throughout its long history, it has had no access of strength, such as has fallen to the lot of many modern industries, which have been strengthened by new devices alike of organisation and of technical invention It is conducted also on the same lines as Indian agriculture, to which it is tied by innumerable bonds While the latter's survival is due to the fact that agricultural production is to a large extent for the producer's own consumption, in the case of handloom weaving, the industrial character of the operation is not mitigated by any similar circumstance It should, therefore, be a matter for wonder that the Indian handloom industry stands alone among the world's industries and handicrafts as having withstood all the on-sloughts which production under capitalist organisation is capable of making The reasons for this survival of the handloom industry are to be sought in the fact that the criteria of costs, prices and profits, which are applicable to factory-made production, do not apply in this case It is true that the immense advantages, which textile mills possess over the handlooms have enabled the former to capture the greater part of the market , but, the handloom weavers are as a species far from extinct , and a race which has defied the ravages of nearly two millenia is not likely to be stamped out in the near future On the other hand, it is quite possible that within the dry, age-old bark of this ancient tree there lie the potentialities of a young and vigorous sapling There are many who envisage the time when, through the widespread diffusion of electric power, the handloom weavers would be enabled to ply electric power looms in their cottages and gain the upper hand over for factories in the internal and foreign markets alike Such an eventuality might, perhaps, come sooner than most of us expect and the Indian handloom industry would then be more unique than it is now

For the present, it is well to note that, though during the last two centuries the handlooms have been worsted in their competition with the mills, foreign and Indian, they still occupy a large place in the industrial life of the country and any comprehensive scheme of national reconstruction will have to give its full attention to the questions connected with this industry An important aspect of cotton in India is that "its production is spread over nearly all parts of India and that measures for improving its position and prospects will shower their benefits on all the provinces unlike most economic measures which may be represented to be partial to one province or two at the expense of the others It is also noteworthy that the cotton tetile industry in India is not merely on large-scale and capitalistic lines, but it also embraces the handloom industry and that cotton may, therefore, be said to run through the gamut of India's economic life " Of the Indian handloom industry, it may be said that measudes calculated to improve its position are bound to strengthen India agriculture, in as much as the handloom industry is carried on in India predominantly as a subsidiary activity of the agriculturists This probably accounts largely for the partiality which Mahatma Gandhi has for **Khaddi,** as also for the ready support which Gandhiji has evoked among the masses for his political programme Thus, the distinctive character of the handloom industry in India is derived from its intimate association with agricultural pursuits , and this fact explains at once its strength and its weakness As the majority of weavers are agriculturists it is idle to expect the handloom industry to show that spirit of enterprise and intelligent competition for which one looks in vain in India's agriculture But, at the same time the peculiar tenacity, with which the handlooms have survived the powerful competition of Indian and foreign mills must be attributed to the same circumstance of its being a subsidiary activity The costs of

manufacture in the handloom industry are kept so near the cost of the raw material that the scope for competition is extremely limited Being a cottage industry, free from the complications of overhead costs and factory regulations, the handloom industry is well able to cater to individual tastes and to adjust supply costantly to the demand It has also the facility of turning from one line of textile goods to another according to the state of the markets And, above all, the handloom industry has on its side the indestructible superiority of the human hand over the machine

We may now turn to assess the economic importance of the handloom industry It must be pointed out at the outset, that not all the handlooms are devoted to the weaving of cotton fabrics In the figures provided in the census, handlooms are lumped up together, irrespective of the purpose to which they are devoted Though cotton goods form the bulk of the handloom production in India, there are other products of the handloom industry which in the areas they serve are of great importance I In certain rural areas, large communities live by the production of shawls, woollen goods of various kinds, carpets and mats made of different kinds of water reeds Statistics are not available even of the looms devoted to weaving of cotton goods, not to speak of the minor activities refered to above It is, indeed, a great reflection on economic intelligence in India that of so important a branch of national economic life as handloom weaving, we have no reliable statistics It is true that statistics in regard to the activities of a cottage industry are difficult to procure, but this is a case in which difficulties ought to be over come instead of being utilised as an excuse for inaction In fact, we have to rely on guess work in regard to everything pertaining to the handloom industry in India , and in an article like this one can only endeavour to indicate approximately the size of the industry and the probable extent of its output and to discuss broadly the problems affecting its welfare

According to the reports obtained by the 1932 Cotton Textile Tariff Board presided over by Dr Matthai from all the provinces, the number of handlooms in India is as under —

	Number of handlooms
Assam	425,000
Bihar and Orissa	125,000
Bengal	200,000
Bombay	100,000
Central Provinces	100,000
Delhi	450
Madras	225,000
North-West Frontier Province	500
Punjab	75,000
Hyderabad State	140,000
Total	2,100,693

It will be seen that the figures for such important states as Kashmir, Mysore the Central India States or the states of the Presidency of Bombay are not given in the above table and that the Board were able to obtain figures only for Hyderabad Taking into consideration the figures of the 1921 census for Agra, Burma and Rajputana the resultant total will exceed 2¼ million The provision for the States not included in the above would probably raise the figure to 2½ million On the basis that each loom represents a family of four members, the handloom industry in India may be deemed to provide the sustenance in part for as many as 10 million people As an industry it may, therefore be said to rank second only to agriculture It is doubtful if the figures furnished by the Provincial Governments and the census report are altogether acurate But it is certain that they contain no indication of how many of these looms are devoted to other than cotton fabrics They contain no clue to the total production of cotton goods in the handlooms It will be seen that on the basis of a full day's work the production of these looms would be ludicrously big It is a matter of common knowledge that work on the handlooms are, even as agricultural operations, only seasonal, the agriculturists taking to weaving during the off-seasons The total production of cotton goods on the handlooms has, therefore only to be deduced from the figures in respect of cotton yarn, and the amount of cotton yarn consumed by the handlooms has again to be arrived at indirectly by deducting the consumption of yarn of Indian mills from the production of yarn by indigenous mills and imports from abroad There is no means of estimating the amount of yarn used up for other than textile purposes Mention must also be made of the fact that handspun yarn is also used in handlooms, and only the vaguest guess work is possible of the amount of hand-spun yarn produced in the country every year The 1932 Tariff Board endeavoured, as well as they could, to arrive at a fair estimate of the amount of yarn consumed by the handlooms and

other total production of cotton goods They found that after taking into account imports, re-exports, internal production, and exports of Indian yarn and the consumption by Indian mills, as much as 365 million pounds of yearn was available for consumption by handlooms The Special Tariff Board of 1935 estimated the amount of yarn consumed in each province, and the following table shows the figures for the year ended March 31, 1935 —

Province	Handlooms Total	Handlooms making Cotton goods	Quantities in millions of lbs Yarn Consumed Cotton	Yarn Consumed Others	Cloth produced
Madras	318,434	258,538	78 8		315
Bengal			48 2		
Bombay		110,183	50 2	3 2	235
United Provinces		161,913	49 5	6 4	291
Bihar & Orissa		180,000	31 1		
Punjab	256,602	241,602	60 1	4 0	401
Delhi	1,554	781	2		0 7
North-West Frontier		10,000	1 0		9
Burma		500,000	15 6		40
Central Provinces		73,338	15 5		
Assam		421,367	4 3		22
Total		1,987,742	354 5		

It has been possible to estimate the provincial distribution of the total amount of yarn available for consumption only with the resumption of the publication of statistics in regard to road and river-borne trade

The production of cloth on handlooms and the total quality of cloth available for consumption in the country as estimated by the Bombay Millowners Association are as under —

Years	Quantity of cloth turned out on handlooms approximate	Total quantity of cloth available for consumption in the country
1929-30	1 679	5,744
1930-31	1 655	4,888
1931-32	1 808	5,360
1932-33	2 056	6,325
1933-34	1,725	5,256
1934-35	1 793	5,970

It will be seen that the Indian handlooms supply nearly a third of the Ind a's market for cotton goods As has been observed at the beginning of this article, there is every reason to feel that the Indian handlooms have been through their worst period and, if the weavers can adapt themselves to the new conditions and acquire the ability to work electric power looms in their own cottages, they would be yet able to withstand the competition of the mills Even as it is, there are certain fields in which the handloom weaver is well able to compete both with the indigenous mill and the foreign importers It stands to reason that in the finer qualities of cloth, which are meant for the richer classes, and which cater to individual tastes, the position of the hand-loom weaver is more or less impregnable Likewise, in the verey coarse varieties of cloth in which the cost of production for the hand-loom weaver is nearly naturally equal to the cost of the raw material, the Indian mills will not find it easy to dislodge the handloom worker To the extent that there are individual tastes in this sphere, too, the handloom worker has an additional advantage But this is not without its corresponding handicap When the markets go against the andloom weaver, there is no scope left for him to effect reduction in costs while the mills, who might well be the producers of the yarn required, may come into the field with the advantage of a vertical combination Nevertheless, it is true that it is in cloth of medium counts that the mills have the field all to themselves and the competition of the handloom weaver is at its weawest During these years, in which the cotton mill industry has been protected by duties on yarn and cloth, it has at every stage been necessary to examine the repercussions of such protection on the position of the handloom weaver **vis-a-vis** the Indian mills , and the 1932 Tariff Board held that in spite of the growing demand for spinning mills for protection, the duties on yarns of low and fine counts should not be laid, as the Indian handloom weaver would be further handicapped in his unequal contest with the mills The Congress has attempted from time to time to mark off a special sphere for the Indian handloom weaver by bringing the mills round to agree not to produce the coarser varieties of cloth But these agreements have often been broken , and it would be very desirable if official policy would rescue the handloom weaver from his position of dependence on the good faith of the mills It would be well if the Congress renews its efforts to keep the mills from competing with the handlooms in spheres which may be regarded as then special preserve

INDUSTRIAL SECTION.

THE LAC INDUSTRY

Lac is a resinous substance secreted by a kind of insect living on the tender shoots of certain trees and is found in several parts of India No other country in the world produces lac Bihar seems to possess the most favourable soil, climate and vegetation since 75 per cent of the total production is accounted for by this province alone

Since several centuries lac has been used in India for polishing furniture, colouring and glazing wooden toys and for filling hollow gold and silver ornaments Western countries took small quantities of lac till 1900 for making polishes and sealing waxes The gramophone industry started on its meteoric career in the beginning of the present century and the demand for shellac (purified lac) registered a corresponding increase as it is the essential raw material for gramophone records By 1910 the electrical industry found in shellac an ideal insulating material and the War Offices of the world realised the great utility of shellac for coating the inside of shells and cartridges for keeping the powder dry A thousand other uses were found in the rapidly developing industries of America and Europe At the present time 25,000 to 30,000 tons of shellac are exported every year and only 800 to 1,000 tons are used in this country itself During the first two decades of this century, increasing demand from foreign countries and speculation by middlemen were responsible for raising prices to unhealthy levels accompanied by sudden fluctuations' thus providing an inducement for adulteration The natural consequences were dissatisfaction among consumers and their search for synthetic substitutes of unvarying quality and prices

By the Act of 1921, the Government of India levied a cess on all exports of lac and constituted a committee of middlemen and shippers to spend the funds on scientic research to secure the future of the industry and save it from a fate similar to that of the Indian indigo industry The legislation was defective in so far as there were no scientists on the Committee, and a small advisory board called into existence by the Committee had neither the necessary prestige nor the vigor to initiate a new policy But one of the important results of the Lac committees work was the Research Institute at Ranchi which was founded in 1925 During the period 1925-31, the research activities were directed towards improvements in the methods of cultivation in order to increase supplies in keeping with the demand and thus help to lower prices and incidentally take away the incentive for the search for a synthetic substitute.

By 1926 the prices of shellac had come down without any increased production but solely due to reduced demand The need for agricultural and biochemical research had apparently disappeared and the importance of chemical research for improving the quality of shellac and finding new uses for lac and the necessity for a propaganda on behalf of shellac among consumers were keenly felt An experimental shellac factory was added to the Institute, more staff was recruited and a Lac Marketing Officer was appointed in England

The Lac Cess Act of 1921 was repealed and by the Act of 1930, a Committee of growers, manufacturers, middlemen and scientists was constituted by statutory authority, and greater Government control was made possible by associating the Committee with the Imperial Council of Agricultural Research and appointing the Vice-Chairman of the Council ex-officio President of the Lac Cess Committee Under the able leadership of Sir T V Acharya policy of development was promised through the appointment of three Indian chemists to work in the laboratories of the chief consuming industries in England and financing of shellac research by American chemists to keep the existing merits and future potentialities of shellac constantly

before the consuming industries and to provide a sort of service station to meet and solve the difficulties and problems of the industries using shellac Realising that the existing indigenous methods of manufacture could not be easily beaten for efficiency or economy, attention was diverted to finding more uses for lac in India and modifying lac for specific properties to render it more suitable for industrial uses

The funds accruing from the cess were insufficient for financing the new development and the Indian Lac Cess (Amendment) Act of 1936 was passed to provide for an increase of the cess from annas four per maund to annas seven and the opportunity was utilised for dividing the heterogeneous Lac Cess Committee into two clear groups, vested interests and scientists, the former to govern and advise the latter A fuller and a better representation of scientific men has been achieved The Director of the Institute, who was a biochemist was succeeded last year by Dr H K Sen, who was for a long time the Sir Rash Behari Ghose, Professor of Applied Chemistry at the Calcutta University

From the Annual Report of the Institute for 1936-37, it would appear that important researches of great theoretical and practical value are in progress Entomological research are largely concerned with proper choice of lac insects which destroy lac Investigations have been initiated for unrevelling the mysteries of the highly complex shellac molecule Various modifications of lac with the distinctive new properties are being evolved To help the shellac manufacturing industry, a process for recovering pure lac from the by-products is being examined on a semi-commercial scale Promising results have been attained in solving the problem of shellac moulding for extend uses A scientific study of the manufacture of sealing waxes, varnishes and polishes, adhesive for binding plywood, laminated paper and fabric boards etc , is in progress It is expected that the present researches would help to extend the use of shellac in foreign countries and also lay the foundation for starting new shellac using industries in India

The activities of the Lac Research Institute lead one to expect a bright future for lac industry

The prolonged depression in lac prices throughout the year appeared to be independent of the further decline in shipments to foreign countries Exports to the principal markets showed a striking decrease, and the advance in home production led to the fall in prices noted above The London quotation for T N Orange receded to 38s per cwt in May and irregular two-way fluctuations in the autumn indicated that recovery was more less ruled out The industry in India placed considerable faith in the inter-provincial conference arranged in August to concert measures for the regulation of the industry The conference at Ranchi, though it got a promising start, did little more than pass resolutions declaring the necessity for improving standards and adhering to definite grades Other resolutions adopted related to the standardisation of weights, the intensification of research and the improvement of manufacturing methods The joint control board advocated by the Bihar Minister of Industries was favoured by the Conference which took into account the fairly early success of the control measures adopted in the case of the sugar industry The trade also manifested considerable interest in the proposals made at the Conference although no steps were taken to implement the recommendations The Research Institute at Ranchi, however continued to do useful work for the advancement of the shellac producer, and a popular manual on the uses of lac to make known the value of the shellac for the electrical equipment, the paint and other industries appeared towards the end of the year Total exports in 1938-39 were as usual mainly in the form of shellac and button lac and neither Siam nor Malay appeared to have improved their position as competitors of India in foreign markets The latter fact should not be overlooked in calculating the chances of recovery in shellac prices, and the war may be said to have brought about a very considerable change in prospects to judge from the rapid rise in prices in Calcutta and London

THE INDIAN SOAP INDUSTRY

Among the minor industries that owed much to the World war of 1914-18 must be reckoned the Indian Soap Industry The history before the war was rather chequered, but in the post-war period its growth has been steady The industry is no longer one of the promising possibles, but has to be classed among the mature products of the post-war peroid Soap is, however, only one among the cleansing agents used in India, for other toilet articles like the barks, pods and leaves of several trees have not been entirely displaced India is known to possess a vast variety of detergents and perfumes, and these provide the raw material for soap manufacture The soap industry as we know it dates from the 19th century when the constitution of oils and fats was learnt and the preparation of alkalies from common salt was undertaken Soap-making in a crude way appears to have been practised in India over hundred years ago as traces of old soap-making establishments are met with, but the industry actually dates from the creation of the first factory on modern lines The bulletin of the Industrial Research Bureau on the manufacture of soap in India furnishes a review of the industry's development and describes also the processes commonly used for the making of soap This sketch is based mainly on the bulletin which was published in 1938 The first soap factory in India designed to work on modern lines was erected at Meerut by the North West Soap Co in 1879 and another factory was subsequently built by the same firm in Calcutta These factories have had a chequered existence, control having changed hands several times, and the Calcutta factory is now under the the management of Messrs Lever Brothers

With the advent of the Swadeshi movement in 1905 an impetus was given to the industry, and several factories were started particularly in Bengal about that time, but most of them did not flourish for one reason or another, the failures generally being due to lack of technical knowledge or lack of capital The next period in which the industry of soap during the war and for some time after was seriously restricted, but there was a large internal demand for soap and the military requirements were considerable

It was during this period that the foundation of the industry was securely laid in the Madras Presidency as a result of the steps taken by Government to establish, at the instance of the late Sir Frederick Nicholson A small factory was started in the fishing village of Tanur on the Malabar Coast in 1914, which was transferred to Calicut a few years later, and at that time the new factory (Kerala Soap Institute) was built and fully equipped with a modern plant , the Mysore and Hyderabad States in due course followed the example The Kerala Soap Institute began to undertake the training of students in soap making in 1927 and since then several batches of students from all parts of India have passed through its courses of instruction and have acquired the requisite knowledge and experience in the art of soap-making A large number of these student are now employed in private factories in India, Burma, Ceylon and elsewhere

Sir Frederick Nicholson, while speaking on "Soap" about 22 years ago to a Madras audience, remarked that India imported about ⅛lb of soap per head per annum i e about 18,500 tons of soap per annum, worth about ¾th of a crore of rupees and started that there was enormous scope for stated that there was enormous scope for that at the rate of increase at that time, namely some 15 per cent per annum, the quantity required would be doubled in the next few years This prophecy has been more than fulfilled although the imports have shown a considerable decline, which will be evident from an examination of the import statistics quoted below, the Indian output of soap has almost trebled , moreover, most of it is consumed locally excepting some exported to Iraq, Ceylon, Aden, and other adjoining territories

Examination of the returns of the foreign trade of India during the past 60 years shows that the value of the imports of soap in 1876-77 was about Rs 3,30,000 ; in 1896-97 is was Rs 11,70,000 while in 1905-06 it was about Rs 32,00,000 In the year 1920-21 it had reached the figure of Rs 2,04,30,000 There has subsequently been a steady decline in the import of soaps into India

The following statement shows the quantity and value of (a) Household and laundry soap in bars or tablets (b) Toilet soap and (c) Other sorts imported by sea into British India (including Burma) from abroad during the five financial years ending 31st March 1937

TABLE A

Type of Soap	1932-33	1933-34	1934-35	1935-36	1936-37
			quantity		
	cwts	cwts	cwts	cwts.	cwts
(*a*) Household and laundry soap in bars or tablets	244,730	244,874	157,246	12,464	10,216
(*b*) Toilet soap	43,812	52,016	44,628	41,438	32,692
(*c*) Other sort	7,799	6,523	4,923	5,615	4,692
Total	296 341	303,413	206,807	59,517	47,592

TABLE B

Type of Soap	1932-33 Rs	1933-34 Rs	1934-35 Rs	1935-36 Rs	1936 37 Rs
(*a*) Household and laundry soap in bars or tablets	48,69,170	44,40,268	33,34,320	2,89,382	2,10,473
(*b*) Toilet Soap	30,86,666	31,97,699	31 41,979	29,66,660	23,30,622
(*c*) Other Shoits	3,07,036	1 99,995	1,44,499	1,71,219	1,44,537
Total	82,62,872	78,37,362	63,20,798	34,27,261	26,85,632

The United Kingdom heads the list of countries supplying soaps to India, while Japan which before the war shared only 3 per cent of the Indian business came to the front during and after the war. While the year 1913-14 the import from Japan was barely 1,000 cwts the Japanese share increased in the next few years and reached a peak in 1933 when the imports of Japaness soaps of all kinds totalled approximately 30,000 cwts

In 1918 according to the statistics prepared by the Indian Munitions Board, the number of factories in India producing over 600 tons of soap per annum numbered 11 in British India, exclusive of the Indian States and those producing below 400 tons per annum numbered 46 excluding the many small cottage establishments of a nondescript character The total estimated output of Indian factories in 1918 was about 22,000 tons, and it was anticipated that there would be an additional output of another 15 thousand tons from factories then about to be started The output of toilet soaps was estimated at the same time to be about 710 tons per annum The impetus given to the soap industry in India during and after the war must be regarded as remarkable as a large number of factories was established throughout India, while the quality of the products was greatly improved

The total present output of Indian factories inclusive of those in the Indian States is however estimated to be about 75,000 tons, and the number of factories, large and small, is of the order of a thousand , thus in the Madras Presidency alone there are over a hundred factories of which about a half dozen may be considered to be of fair size, while the rest are comparatively small In the Bombay Presidency, Bengal, the Punjab, and the United Provinces, soap factories on modern lines have been started, and numerous smaller factories are also in existence The factory of Messrs. Lever Bros in Bombay, which has now been in operation for over a year, is said to be turning out about 500 tons of soap per week, mainly of washing soap , corresponding to an output of over 20,000 tons per annum

Of the total combined annual output of the Indian factories estimated at about 75,000 tons and valued at Rs 34,250,000 about 50,000 tons may be classed as household and laundry soaps 15,000 tons as toilet soaps, and the rest amounting to about 10,000 tons as industrial soaps

STOCK EXCHANGES IN INDIA

The Stock Exchange has been described as the nerve-centre of the politics and finances of nations and as the barometer of their prosperity and adversity The political and financial changes with regard to the Government of a country are immediately focussed and find instantaneous expression in the Stock markets A mere glance at the tone of this market would indicate the credit of a nation or the position of an industry

The credit for the introduction of the Stock Exchange business in India goes to the Europeans , and it is only about a century old in India Share-broking is said to have had its origin in London as early as the beginning of the 18th century at Garraway's and Jonathan's coffee houses, where sprouted a number of sharebrokers, whose bulk spread, in the wake of time, to its present size of a world-wide organisation But, the stock and share business attained its full shape and importance only after the enactment of the Companies Act in 1860 and 1862, establishing the principle of limited liability companies Industrial and commercial development is, to a great extent, essential for the growth of this business , and, until recent years, India had been very backward in such development Side by side with the growth of limited companies and the renovation of various industries in the country, the Stock Exchange business also came into existence in India, and grew from strength to strength, until it has now established itself as a great financial organisation The City of Bombay was the gateway for the British Stock Exchange enterprise Speculation in shares sprouted in Bombay as early as 1840 among five or six brokers, who were, at that time, rich local merchants Gradually, it spread wider and gained admission into the eastern capital, Calcutta In 1875, about 300 brokers formed themselves into an organised association, which has now developed into one of the greatest and most well-organised Stock markets in the world

CALCUTTA STOCK EXCHANGE

The Stock and Share business in Calcutta can be traced back to as far as 1885 In those days, there existed no organised association for the conduct of business as there is now No authentic written records, which would throw light on the details of the actual conduct of business in those remote days, are available But, what little information can be gathered from some of the oldest speculators of Calcutta, are enumerated in the following paragraphs

The rendezvous of the few brokers who assembled to do some business in stocks and shares was, it is said, the site in Clive Street, where the Chartered Bank Buildings and Messrs James Finlay's offices are, at present, situated The verandah of one Messrs J Deb & Co , tobacconists, and the welcome shelter provided by the only big tree, served as the chief counters, where the Marwaries and Chowbeys of the time bought and sold securities and shares There were about 50 Indian brokers at the time and four or five Europeans The shares were mainly those of tea and coal companies managed by European managing agents There were also a few jute shares

The emergence of an organised association out of these elements was the result of an incident connected with the rude behaviour of a certain Chowbey broker, somewhere about 1904 Up till then, business was conducted on cash basis, without any hitch or untoward incident An organisation somewhat akin to the present association, but on a small scale, with a managing committee mostly consisting of Europeans, had been started under the initiative of one Mr Overend of the firm of Place, Siddons. But it was only in 1908 that a properly organised association was started under the name and style of "Calcutta Stock Exchange Association" By June 15, 1908, the Association had rented the premises, No 2, New China Bazar Road (now called No 2, Royal Exchange Place)

The finance for the starting of the Association was secured by donations collected by the promoters, amounting to Rs 3,525, which was spent for the preliminary expenses of furnishing and supplying the rooms with electric lights and fans

The first President of the Association was Mr P L B Siddons of Messrs Place Siddons and Gough, and the Hon Secretary, Mr S C Berridge, was also of the same firm The President and Secretary were generally elected from Messrs Place Siddons for a number of years Babu Baldeo Das was the Honorary Treasurer, and was continuously elected for the post for the next 12 years, till his death

At the commencement, there were 157 members , now the total number of members exceeds 217 firms, with a personnel of more than 470 individual members The subscription at the beginning was Rs 8 per mensem per member, but it was gradually reduced to Rs 6 in 1910, Rs 5 in 1911, and again to Rs 4 in 1912 Now the monthly subscription is Rs 4 per member The total subscription collected during the first year amounted to Rs 19,835, whereas in 1935 the total subscriptions totalled Rs 31,124 The admission fee, which at the beginning, was only Rs 500 per member, has been steadily increased with the progress of the Association, and is, at present, Rs 5,000 per member The total admission fees collected in the first year amounted to only Rs 1,284, as compared with Rs 57,900 in 1935, the record being Rs 87,300 collected in the previous year Rents realised for rooms and offices let for members in the first year amounted to Rs 2,703, which now aggregate Rs 26,000 Expenses for rent and taxes, establishment and sundries amounted to about Rs 18,000 in the first year, as compared with more than Rs 61,000 in 1935

From the above figures, it can be ascertained that, from humble beginnings, the pace of progress of the Calcutta Stock Exchange Association has been rapid To-day, the Stock Exchange Association of Calcutta is one of the most up-to-date, stable and well-managed organisations of like nature in the world

The finances of the Association encountered many a pitfall in the earlier days Every year, there were many members who either resigned, or were expelled from membership owing to disputes , and the membership was reduced to 96 firms or 146 individuals in the third year of the starting of the Association In March 1910, the Committee, owing to financial difficulties, even arranged to wind up the Association by passing a resolution at an extraordinary meeting But for the timely help of Mr Galstaun, the owner of the premises, who reduced the rent from Rs 1,050 to Rs 675 per mensem, the Association would have suffered a natural death

The credit of having founded and steered the Association must, of course, go to the few European members existing at that time The members in the Working Committee at the initial stages numbered 9, consisting of 6 Europeans and 3 Indians This state of affairs in the management continued up to the end of 1913, when the number of Committee members was increased to 11, comprising 6 Europeans and 5 Indians Later, on 9th May 1918, at an Extraordinary General Meeting, the Committee was re-formed The number of members was raised to 12, comprising 4 Europeans, 4 Marwarris and 4 Bengalis, and a new rule was passed that restricted the admission of assistants to members of the Association of 3 years standing only In 1921, two additional members, elected from 'Hindustani' communities, were added to the Committee, thus increasing the membership to fourteen

The progress of the Association year by year was, on the whole, very satisfactory, and its popularity increased daily Every year a number of new members were admitted, and in 1923, the Association's membership increased to 209 firms and 442 individuals Talks of incorporating the Association as a registered body were in the air even in 1921, and arrangements were completed, at the beginning of August 1923, for the incorporation At that time, the finances of the Association were in a very sound condition There was a capital reserve of Rs 5,88,117, and the liabilities were only Rs 2,319 The Association had investments amounting to Rs 5,42,763 Interest and outstandings amounted to Rs 10,993 and cash to Rs 36,680

The Association was registered in August, with an authorised capital of Rs 3,00,000, divided into 300 shares of Rs 1,000 each One share to each of the 210 members on the role was issued in pursuance of the agreement dated 9th July, 1923 and credited as fully paid up, in consideration of the purchase of the assets and undertaking of the Calcutta Stock Exchange Association The balance of Rs 3,78,117 was appropriated as Capital Reserve

From 1922 up to the end of 1927, the stewardship of the Association was in the hands of Mr C A Jones, the President Under his able guidance, the steady progress of the Association was, indeed, gratifying Every year, the working has been resulting in a surplus of more than a lakh of rupees,

and at the close of 1926, the reserves accumulated amounted to Rs 3,03,416 In the following year, premises No 7, Lyons Range, were taken on lease at Rs 1,500 a month, and it was decided to construct a suitable building for the Association A Building Suspense Account was created, and in 1928, the Association occupied its own building The cost of the building amounted to about Rs 4,11,000

The years 1930 and 1931 were outstanding years in the history of the Calcutta Stock Exchange Association In the former year, the Association declared a bonus of Rs 1,000 on each share from the large accumulated reserve, and in view of the increasing profits every year In 1931 was elected, for the first time, an Indian President, and the honour went to Mr Kedarnath Khandelwal His able administrative talents at the helm of the Calcutta Stock Exchange Association were very much appreciated by the members, so much so, that he was called to resume the same position every year for the next five years During his regime, many important and useful changes in the bye-laws were effected Every year, the Association declared a bonus of Rs 500, in 1934, the bonus was Rs 1,000 The share value of the Association soared higher and higher and reached a level above Rs 20,000 At present, the share value is well above Rs 17,000 In 1932, for the first time, an Indian Honorary Secretary was appointed, and Mr S R Mittra of Messrs Mittra Bannerjee & Co, Stock and Share Brokers, proved to be a great asset in that position The outstanding event in 1933 was the acquisition, at a cost of Rs 3,65,300, of the land on which the Association had enacted its building in 1928 Prior to this purchase, the Association held the land only on lease

The total profits earned by the Association, since its inception in 1923 up to the end of 1936, amounted to Rs 12,60,339, and the total amount of bonuses declared came to Rs 10,27,700 at Rs 4,850 per share During the above period, the Association collected subscriptions amounting to Rs 3,41,500, entrance fees to Rs 6,27,950, and fees for investigation, etc, by the Committee, amounting to Rs 1,08,800 Interest secured on investments aggregated Rs 3,67,000, the total rent collected from members accounted for Rs 3,55,000, and the profits from the publication of quotation lists totalled Rs 68,400 On the expenditure side, the Association spent Rs 2,86,200 for rent and taxes and Rs 2,20,400 for establishment, other expenditure totalled Rs 2,28,000

The working of the Association at present is quite smooth and organised The rooms of the Association are open to business from 10-30 a m to 5-30 p m on all working days Every partner, or authorised assistant of the members, has to pay an entrance fee of Rs 500 for transacting business in the Exchange, besides a subscription of Rs 4 per month Every member must hold one share in the Association and has to pay an admission fee of Rs 5,000

Transactions are carried on cash delivery basis, and delivery is to be effected on or after the second working day after the date of the contract, and at or before 3 p m on that day Government securities are transacted on Ready delivery or delivery on, Receipt-of-Scrip basis In the former case, delivery is to be effectd on or after the second working day after the date of the contract, but in the latter case, the seller can deliver within 14 days after the date of transaction The seller is entitled to interest for a maximum of 14 days for Government securities and of 21 days for other interest-bearing securities, including the date of contract Interest-bearing securities are to be delivered up to 1-45 p m and the buyer must pay the cheque by 2-15 p m If, however, delivery is given after 1-45 p m and before 3 p m, the buyer must accept, but he can pay after banking hours The buyer might refuse delivery of Government securities if interest has accumulated for 8 calendar months or over, or if there are less than two unused gates or cages

Any failure, on the part of the seller, to deliver must be reported by the buyer to the Committee, who after hearing the case, may give the buyer the option of either cancelling the contract, or buying the shares in the open market at the risk of the seller But this rule is not strictly enforced by the members, as it is only optional to the buyer, and the buyer rarely exercises his right save in the case of abnormal delay in deliveries

The Committee of the Association now consists, as stated above, of 14 members, 4 members each from the European, Marwari and Bengali communities, and 2 members from the Hindustani community Under this Committee, there are four Complaints Sub-committees consisting of 3 members each, who hear all disputes between members and pass impartial decisions Each Sub-Committee sits practically every day The members have got the option of appealing to the original Committee against any decision of the Sub-Committee within 7 days of each decision The decision of the Committee is final and binding on all members

and in the event of failure of any member to comply with the decision of the Committee, he is liable to be dealt with under Article 21 (b) of the Association, which deals with expulsion of members All complaints and appeals must be accompanied by a fee of Rs 16, which the party found to be at fault will lose The Committee sits every Thursday, and seven members form a quorum at the meeting

The following is the schedule of brokerage charges determined by the Committee —

On 3% and 3½% Government paper	1/16%
On other Government securities	1/8%

The minimum charge for brokerage on Government securities is Re 1

On Municipal and Port Trust debentures	¼%
On Joint Stock debentures	½%

For other shares in Joint Stock companies —

Shares up to a consideration money of Rs 50	As 4 per share
Above Rs 50 consideration money, but below Rs 100	As 8 per share
Thereafter, for every Rs 100 or part thereof	As 8 per share additional

The wide range of stocks and shares covered by the Calcuta market offers large scope of investment for investors of all shades, and this gives a unique position to the Calcutta market Transactions are done in all kinds of Government securities A large number of Port Trust and Municipal debentures are on the list of the Association There are about 70 debentures of Joint Stock companies, varying from 4¼% to 8% interest

The following is the list of Government securities in the market —

Securities	Present Quotations Rs
2¾% New Loan (1948-52)	91-6
3% Government Paper (1896-97)	75-12
3½% ,,	87 12
3% Loan (1941)	100 14
3% ,, New (1951-54)	92-4
3½% Loan (1947 50)	100-12
4% ,, (1960-70)	102 4
4% ,, (1943)	103 10
4½% ,, (1955-60)	106-10
5% ,, (1940-43)	102 2
5% ,, (1945-55)	111-0
5% U P Bonds (1944)	105-10
4% Punjab Loan New (1948)	101 4
3% U P Loan 1961-66	84-4
3% U P Loan 1952	91-8
3% Punjab Loan 1952	91-8
3% C P Loan 1952	91-8

Another section, which of equal interest to investors as well as speculators, is that of Jute Mill shares Jute, being one of the most profitable indigenous industries of India, and Indian mills being the largest suppliers of jute manufactures to the world, jute companies have been in a position to declare high dividends This has been the cause of the great demand for jute shares duing the last so many years A dividend of 30 to 40 per cent per annum is usual in the case of good companies Debenture shares, of interest varying from 6 per cent to 9 per cent, are available in the case of almost all companies Some of the shares, such as Howrahs and Kamarhattys, are most speculative in character and violent oscillations are not unfrequent in the prices of these shares The troubles of the jute industry resulted in gross over-production which was reflected in lower profits Jute shares lost, therefore, their attraction The passing of the Ordinance by the Government of Bengal revived interest in these shares The outbreak of the war and the enormous demand for sandbags has increased the appetite of investors

The following list gives a rough idea of the importance of jute shares to investors as well as to speculators —

Name	Paid up per Share Rs	Dividend % p a	Sept 1939 Rs	Dec 1939 Rs
Howrah	10	20	64½	50
Kamarhatty	100	7½	608	475
National	10	10	28¼	22
Anglo-India	100	10	441½	330
Bally	100	8	280	172
Fort Gloster	100	7	629	470
Gourepore	100	40	794	549
Kelvin	100	10	582	540
Reliance	10	20	72	63

The total capital invested in this industry amounts to about Rs 19 crores, distributed among 70 companies, most of which are situated in or around Bengal

Coal shares have been the centre of attraction since the beginning of the present century, when there was a big boom in coal shares These are 62 coal mining companies in the list of the Association, and dividends of even 80 per cent have been declared by some of the companies But, this industry was in a sorry plight due to over-production and fall in demand , and profits came down During the past one year and more there has been an improving tendency in evidence and with the shortage in production and the increase in demand prices have improved The immediate outlook is very satisfactory In the speculative counters, Equitable, Amalgamated, Raneegunge, Standard, Pench Valley are the most important There are more than 200 companies registered in India for coal mining , and the total capital invested in this industry approximates to Rs 15 crores

A large number of tea companies' shares are also dealt in in the Calcutta market, the number of companies in the list amounting to 136 During the post-war period, tea companies have been declaring very high dividends and shares of these companies soared high But before the introduction of Restriction the industry was in doldrums Only during the last three years the position can be considered satisfactory The outlook is bright

The total capital invested in this industry aggregates Rs 13 crores distributed among 470 companies, of which about 430 are registered in Bengal and Assam

Sugar shares number about 30 About Rs 25 crores is invested in this industry Prominent among the sugar shares in the Calcutta market are, Cawnpore, Balrampur, Punjab, Nawabgunj, Basti, Carew and Co , New Savan and Champarun Owing to the disappointing results for the last season sugar shares have remained depressed

The higher prices for sugar and the formation of the Indian Sugar Syndicate have been mainly responsible for the optimistic view regarding the future of sugar shares

Besides, a large number of other industrial shares is available in the market The Association's list includes 24 public utility concerns, 18 engineering companies, 24 railway companies, 57 rubber companies, 7 shipping companies, 9 paper companies, 13 cotton mills, 6 insurance companies and 7 mining companies Other miscellaneous number about 50 in all

The Bengal Share and Stock Exchange Association Limited was founded in 1937 Intended to be conducted on the lines of the Bombay Stock Exchange the newly formed Association has come in for a lot of criticism as disturbing the equilibrium of the Calcutta market This Association provides facilities for ready and forward transactions The forward transactions are completed in fortnightly settlements In the Calcutta Stock Exchange Association Limited, transactions take place for delivery after the second working day and no business is done for forward positions

The share capital of the Association is Rs 5 lakhs divided in 500 shares of Rs 1,000 each with power for the Association to increase and reduce the capital, to divide the shares in the capital for the time being into several classes, with or without any preferential, deferred, qualified of special rights privileges or conditions, but so that where shares are issued with any preferential or special rights attached thereto, such rights shall not (except when the term of issue otherwise provide) be alterable, otherwise than pursuant to the provisions contained in the accompanying Articles of Association Up till now, 240 shares have been issued of which 110 shares have been subscribed for at a premium of Rs 250 per share The amount of premium and Rs 250 per share as application money have been paid

BOMBAY STOCK EXCHANGE

The number of shares on the forward list is 31 in all, 7 being in the miscellaneous section, 9 in the coal section, 9 in the jute section, 1 in the cotton section and 3½ per cent Paper among Government securities

The honour of being the pioneer in stock and share transactions in India goes to Bombay, which celebrated in 1937, the diamond jubilee of its Stock Exchange Stocks and shares business in Bombay can be traced as far back as about a century, although it was only on July 9, 1875, that the Share Bazaar was officially founded There were about 6 brokers only in 1840 This number sufficed for the limited business then existing in the shares of banks and presses Till the year 1855, the meeting place of brokers was on the Cotton Green, where Elphinstone Circle is now situate Thereafter, the brokers met between the old Fort walls and the old Mercantile Bank building The American

Civil War of 1861 diverted the demand for cotton to Bombay and brought vast wealth to the merchants, most of whom were share brokers These brokers, under their acknowledged leader, the late Mr Premchand Roychand, became possessed of great influence, authority and wealth Between the years 1863 and 1865, when there was a gold share boom and the public were possessed of a great mania to acquire shares, the membership rose to 250 In 1877, they numbered 318 and assembled in Dalal Street to do business The majority of the brokers consisted, as now, of Gujarati Hindus and Parsis

In those days, brokers had to suffer many hardships Business was conducted in the open air and there was no fixed business place The police dispersed their congregation and drove them from post to post, while managers of banks and owners of shops cleared them off the steps of their premises It was only in 1874, that some of the principal brokers realized the necessity of some organisation and accommodation for the conduct of their business A place was selected in 1874 in what is now known as Dalal Street In July 9, 1875, the brokers held a meeting in which it was resolved to establish a properly regulated association to protect the interest and status of share-brokers and provide a suitable hall for their use Later, by an indenture dated 3rd December 1887, the Native Share and Stock Brokers' Association was formally constituted

At the time of constitution, the Association possessed Rs 38,000 made up of sale of 25 shares in the Victoria Manufacturing Company, Ltd, which were given to the Association by Sir Manockjee Petit, in consideration of the service rendered by certain members of the Association in the promotion of that Company, Rs 7,000 collected from members, and a further sum given by Sir Dinshaw Manockjee Petit A building was acquired for Rs 1,00,000 and was opened by Mr J M MacLean, M P, in January 1899 In April 1920, an adjoining building was purchased for Rs 10,30,000

The Bombay Stock Exchange has to-day developed into a powerful and influential organisation When the Association opened its doors 60 years ago, it consisted of 300 members, at present there are about 470 members In 1877, the fund of the Association was Rs 2,500 only, while, to-day, it is more than Rs 25,00,000

Admission fee for membership was originally Rs 51 only It was afterwards raised to Rs 1,000, then in 1917 to Rs 7,000, and in 1920 as much as Rs 40,000 was paid to the Association for the right of admission into the Brokers' Hall It is now about Rs 20,000

Mr Choonilal Motilal of Cambay was the first President and held that position for 20 years till his death Mr Somnarayan Harnarayan was the first Honourary Secretary, which post he held till his death in 1889 Among the other promoters were Mr Premchand Roychand and Sir Shapoorji Broacha Sir Shapoorji was the President for the next 20 years after the death of the first President On his death in 1920, he was succeeded by Mr Kikabhai Premchand, who resigned the post in 1922 For some months, the post of President lay vacant, and finally Mr K R P Shroff took the helm in his hand and continues in the same position until to-day, exercising an authority which is undisputed

On 14th September 1923, the Government of Bombay appointed a Committee of 6 members, under Sir Wilfred Atley as Chairman, to enquire into the constitution, government, practices, rules and regulations, etc, of the Native Share and Stock Brokers' Association of Bombay (as it was then called) to investigate into any complaints of the public and to formulate definite proposals for the future constitution and control of the Exchange This Committee submitted its report in January 1924, in which several important recommendations were made These recommendations were adopted by the Association and various useful changes in the constitution and rules were effected

The Morrison Committee appointed during the year to enquire into the causes of the occurrence of frequent crises and suggest methods for checking unhealthy speculation submitted its report in March this year While recognising the inevitability and utility of speculation as the adjunct of a free market the main recommendations aim at setting up a high standard Most of the recommendations are designed to protect the investing public The Committee's suggestions that the governing body should exercise certain special powers after reference to Government or that Government should intervene, have been subjected to violent attack and Bombay brokers as a gesture stopped business for a day The recommendations of the Committee were given effect only recently The introduction of the margin system and the stricter regulations will it is believed promote healthy activity

The opening of a second share market in Bombay towards the close of 1937, must be

mentioned in every review of the year The older association continued its correspondence with the local government on the ways and means to implement the Morrison report, while despite some frowns an influential group of Bombay businessmen launched the Indian Stock Exchange, Limited The opening of a second market which had not restricted its interest to Bombay shares alone led to a general revival of interest and the fact that the new exchange confines dealings to contracts for ready delivery although business for fortnightly settlements takes place under the rules made it unnecessary for it to ask for government sanction

Conditions for admission, subscription rates and deposits are less onerous in the case of the new exchange which kept open for business on days when the older association declared holidays or as in the case of the minor crisis in February, 1938 was compelled to suspend business owing to the definite indications of over-trading Since the local government have taken up the matter of revising the stock exchange rules and procedure in a comprehensive fashion with the older association and is inclined to favour unitary control in all markets where forward dealings take place, it will be somewhat interesting to watch the career of the new Indian Stock Exchange There is no doubt that the Indian Stock Exchange has enjoyed considerable support from Bombay investors The duplication of exchange was generally frowned upon when the proposal was first made, but the manner in which the new exchange has functioned its regular and businesslike procedure has not only enhanced its chances of continuance but given Bombay a wider and freer market for dealings in securities

As jute shares are in Calcutta, cotton mill shares are in the Bombay Stock Exchange The total capital invested in this industry in India exceeds Rs 40 crores, distributed among more than 370 mills, of which about 210 are in and around Bombay The following list of cotton shares would give an idea of the importance of these shares —

Shares	Paid-up per Share	Last Dividend per cent	Current Price
	Rs	Rs	Rs
Ahmedabad Advance	100	8	360
Bombay Dyeing	250	20	1,115
Century	100	12	383
Gokak	100	5	229½
Lakshmi	250	8	630

Tata Iron & Steel Company shares, Hydro-electric shares and Cement shares are the other most important counters in the Bombay market Tata Steels, Tata Power and Tata Hydro-electric shares are highly speculative sections Tata Steels Ordinary now quote Rs 414, Deferred Rs 2,147-8, First Preference Rs 191½ and Second Preference Rs 133½ Tata Hydro-electric Ordinary quote Rs 155½, while Tata Power Ordinary stands at Rs 1,357-8

Bombay is the home of the cement industry Only in 1937 was the cement merger carried out A company by name the Associated Cement Companies has been formed, and ten companies have joined the merger The cement industry has come into prominence by co-ordination and rationalisation and there is no doubt that the future will be good There are fears about overproduction as a result of the flotation of numerous new companies but the A C C will withstand the competition

LAHORE STOCK EXCHANGE

The Stock Exchange business in Lahore is of recent date Holders of securities and shares have been dealing mostly with Bombay and Calcutta markets It was only by the end of 1934 that some five or six brokers formed themselves into an association under the name of the "Lahore Stock Exchange" and began doing business under the rules formed by this private association Efforts were made, a few years ago, under the initiative of Lala Harkishen Lal, to establish a registered Stock Exchange, but all attempts made by the sponsors were foiled by the late Lala Lajpat Rai, who started anti-propaganda stating that speculation in the Stock Exchange would be against the interests of the nation

Towards the close of 1935, renewed attempts were made to start a registered association under the initiative and leadership of Sardar Balwant Singh Shihn, Rais and Zamindar , and in January 1936, "The Punjab Stock Exchange Ltd" came into existence The capital of the Exchange is Rs 1,00,000, divided into 100 shares of Rs 1,000 each The establishment of the Exchange was so well received by the public, that as soon as the issue of the shares was announced, there was a scramble for

buying, and within a short time, the shares rose to a premium of Rs 400

The objects of the Exchange are, among others, as stated in the Memorandum of Association, to take over and conduct the affairs of the unincorporated Association called "The Lahore Stock Exchange" The rules and regulations are mostly on the lines of the Calcutta and Bombay Associations The first Committee, as laid down in the Articles, consisted of 7 members The entrance fee for membership is fixed at Rs 500 Partners or assistants are required to pay Rs 50 as admission fee and Rs 10 per mensem as subscription The membership subscription is Rs 15 per month for each local member and Rs 5 per month for each out-station member The business hours are from 10-30 A M to 5 P M Contracts are entered into on cash delivery basis, as in Calcutta, i e , delivery on or after the next working day after the date of the contract and cash to be paid on delivery The bye-laws provide that, on the failure of the seller to deliver the shares within 30 days, and in the case of Government securities within 14 days, the buyer might report to the Committee requiring the cancellation of the contract, or for buying in the open market at seller's risks Complaints and disputes among members are adjudicated by the Committee The investing public are also allowed to lodge complaints against any member, which would be settled by the Committee, and the fee for each complaint has been fixed at Rs 5

The schedule of brokerage rates is as follows

3½ per cent Paper	1 anna % on face value
All other Govt Securities	2 annas ,, ,,
Municipal and Port Trust ecurities	4 ,, ,, ,,
Corporation Loans and Debenture Bonds	8 ,, ,, ,,

For shares, when the consideration money does not exceed Rs 5 the brokerage per share is 1 anna

When the consideration money is above Rs 5 but below Rs 10, the brokerage per share is 2 annas

For consideration money up to Rs 25 per share	4 annas
For consideration money up to Rs 50 per share	8 annas
For consideration money up to Rs 75 per share	12 annas
For consideration money up to Rs 100 per share	1 rupee

When the consideration money is above Rs 100, the brokerage is Re 1 for the first Rs 100 and additional As 4 for each subsequent Rs 50 or part thereof

As compared with Calcutta and Bombay, the Punjab Stock Exchange deals in very few shares The total number of companies on the list of the Exchange amounts to about 60, including 4 banks, 6 insurance companies, 13 electric supply companies, 13 sugar companies and 16 miscellaneous companies

MADRAS STOCK EXCHANGE

The revival of the Madras Stock Exchange in August 1937 is an outstanding development of the past year Business in stocks and shares in the year 1935 and 1936 had developed to such an extent that serious difficulty arose from the lack of a regular organisation controlling the activities of the brokers who had continued to do business even after the first Stock Exchange went out of existence in 1923 Industrial development within the province and the rapid growth of investment business with markets like Bombay and Calcutta rendered it necessary for Madras brokers to have a definite organisation with specified rules of business instead of individual firms putting forth their rules of business, based usually on the Bombay model Industrial enterprise and a striking advance in company flotation also made Madras brokers increasingly conscious of the handicap imposed by the lack of a Stock Exchange on the lines of Bombay or Calcutta

While many of the Madras enterprises are as sound as any in India, the leading stocks did not receive sufficient attention on merits and it was realised that the functioning of a Stock Exchange would help to interest other markets in Madras stocks There was a time when it looked as if the internal jealousies rampant would prevent the organisation of a regular share market, and for a month, a rival association functioned in competition with the larger organisation created by the leading brokers but good sense prevailed and both combined The leading brokers are associated with the Madras Stock Exchange Association, Limited Membership is open to members of broking firms on payment of Rs 5,000 and a deposit of Rs 5,000 is also furnished as security The rules of business are similar to Bombay and the quotations issued to the

Press in connection with daily transactions derive their authority from the Committee, and the old complaint that the prices of Madras scrips were made by interested brokers may be said to lack foundation now Since Huson, Tod & Co 's affairs were taken notice of by the courts, both brokers and public were pressing for a *pucca* exchange Another compelling motive was to show other markets that Madras was not deficient in investment support as well as speculative enterprises and business in inter-market scrips has been stimulated considerably by the working of the Stock Exchange

The settlement is for monthly account but Madras has a strong cash section The forward list of 18 contains about 8 textiles and 4 planting shares and the transactions permitted in this group are in specified lots according to the face value of the share The first President elected by the Association is Mr C M Kothari with Mr W L Knopp as Vice-President The compromise arrived at with the rival associations has left the Stock Exchange Committee in control and the first few months of working have been wholly favourable

Shares of about 90 limited companies, apart from Government Securities are dealt in Madras by the brokers There are a number of bank shares, public utilities, cotton mills, cement companies, tea and rubber plantations and sugar companies in the Madras circle The Madras brokers are efficient and enterprising and these qualities are reflected in the establishment of an organised Madras Stock Exchange

The following are some of the important shares dealt in the Madras market, with their current quotations and last dividend declared —

	Paid up per Share Rs	Last Dividend %	Market Quotation Rs
Indian Bank	50	10	100
,, ,,	10	10	20
Bank of Mysore	100	14	270
Indo-Commercial Bank 'A'	100	6	105
Madras Telephone Co	10	9	16¼
Trichy-Srirangam	100	10	155
Bangalore Woollen	100	4	162
Buckingham & Carnatic	100	6	236
Madura Mills Co	15	10	37½
Highland Produce Tea	10	25	20
Peermade Tea	10	20	25
Malankara Rubbers	30	Nil	28½
Cochin Malabar	3-1-2¼	10	6⅞
Mysore Sugars	10	20	46
Deccan Sugars	10		56

AGRICULTURAL SECTION

AGRICULTURE IN INDIA

A GENERAL SURVEY

India, as text books of economics are never weary of reminding us, is predominantly an agricultural country, and agriculture must remain her greatest industry for many years to come The physical features and the soil of the country from the Himalayas to Cape Comorin are so varied and rich that almost all the crops grown in the world could be cultivated in India She holds the world monopoly for the cultivation of jute, and a virtual monopoly in shellac As a producer of cotton, she is second only to the U S A, while in rice, she has to her credit the largest production and the largest consumption Agriculture provides directly or indirectly employment for the great majority of the people The census of 1931 shows that more than 70 per cent of the total population of 350 millions depend on pasture and agriculture for their livelihood The whole structure of the national economy rests on an agricultural base, and the problems of Indian agriculture which are vast and varied will before long have to be tackled by the State

It is impossible, in the scope of an introductory article, to deal exhaustively with the various aspects of agriculture in India, and in the following paragraphs, only an attempt is made to give the reader a general idea of the present state of agriculture in the country and its place in the economic life of the nation

The total area of India is 1,818,000 square miles or 1,163,685,000 acres with a population of 353 millions, according to the census of 1931 Of the total area 687,618,000 acres belong to British India, 426,825,000 acres are covered by Native States and 49,242,000 acres belong to the specially administered areas of the North-West Frontier Province and Baluchistan under the control of the Government of India

The total surveyed area in British India, according to the prepared statistics of the Government of India, is placed at 667,594,000 acres, of which the area available for cultivation has been estimated at 433,539,000 acres or 65 per cent of the total Out of the balance, 13 4 per cent is covered by forests and 21 7 per cent by land absolutely barren, covered by buildings, water, roads etc The net area sown every year varies from 30 to 40 per cent of the total area available for cultivation The gross area sown during 1934-35, after taking into account the areas sown more than once, amounted to 259,118,000 acres The following table gives the classification of the above area under the various food and non-food crops —

	Acres (1,000)	Percentage of Total
Food Grains (cereals & pulses)	200,635	77 4
Condiments & Spices	1,828	0 7
Sugar	3,524	1 4
Fruits & Vegetables	4,820	1 9
Miscellaneous Foodcrops	1,837	0 7
Total Foodcrops	212 644	82 1
Oilseeds	14,543	5 6
Fibres	17,584	6 8
Dyes & Tanning Materials	647	0 2
Drugs & Narcotics	2,409	0 9
Fodder Crops	10,308	4 0
Mis non-food crops	983	0 4
	46,474	17 9
Total	259,118	100 0

The above table shows that about 82 per cent of the total area sown are under food-crops, while food grains, *i e* cereals and pulses, alone occupied 77 per cent Fibres, which are mainly cotton and jute, covers only 6 8 per cent of the total area Oilseeds, which are mainly grown for export purposes, occupy about 14½ million acres or 5 6 per cent

Cultivation of food-grains, therefore, claims the foremost place in the agricultural economy of India The staple food of the

people is rice, and wheat occupies the second place Though India is the largest producer of rice in the world, and the second largest in the case of wheat, her export trade in both these commodities is of little importance, as most of the production is consumed within the country Though of late, Indian wheat has been receiving the attention of foreign buyers owing to the world shortage in wheat stocks, export cannot be considered a permanent feature

Of the total area under food grains, the United Provinces claim about 19 per cent, Madras 14 per cent, Bihar and Orissa 13 per cent, Bombay 12 per cent, Bengal 11 per cent, Punjab and Central Provinces 10 per cent and other Provinces 11 per cent The following table gives the total area under the various food-grains grown in 1934-35 —

	(In Thousand Acres)
Rice	79,520
Wheat	25,655
Barley	6,587
Jowar	21,853
Bajra	13,102
Ragi	3,738
Maize	6,185
Grain	13,732
Other Grains and Pulses	30,263

Oilseeds, such as linseed, groundnuts, etc, are mainly grown as an export crop and their importance to the country in general and to the cultivator in particular, is unique, inasmuch as it brings money from outside and is described as a cash crop About 28 per cent of the total area under oilseeds is in Madras, 14 per cent in Burma, 13 per cent in Central Provinces, 12 per cent in Bihar & Orissa, 11 per cent in Bombay, 7 per cent in Bengal, 6 per cent each in Punjab and the United Provinces and 3 per cent in other provinces The following table gives the total area of the different oilseeds in 1934-35 —

	(1,000 Acres)
Linseed	2,128
Sesamum	3,393
Rape and Mustard	2,855
Groundnut	4,044
Cocoanut	665
Castor	422
Others	1,036

Cotton and jute are the main fibre crops which occupied about 17 6 million acres in 1934-35 or 6 8 per cent of the total area sown The cultivation of cotton extends to all parts of India, which is the second largest grower of cotton in the world The total

area sown in 1935-36 under cotton was estimated by Government forecast at 25,138,000 acres and the yield at 57,28,000 bales More than half of the cotton production is exported, while the indigenous cotton mill industry absorbs about 40 per cent Bombay is the main centre of the cotton trade and large transactions in cotton are carried on in the City both in the futures and ready markets

The cultivation of jute is a monopoly enjoyed by India and is mainly confined to the Province of Bengal, though Bihar and Assam also grow the same fibre to a comparatively small extent The total area under jute in 1935-36, according to the Government forecast, amounted to 2,181,000 acres and the production to 72,40,000 bales, but the Government figures have usually been underestimated There is a big industry in jute spinning and weaving situated in and around Calcutta and which supplies a considerable part of the world's demand with jute manufactures About 60 per cent of the jute production is absorbed by the industry, while 40 per cent is exported Calcutta is the centre of the jute trade, not only for India, but to the world in general

Sugarcane occupies only 1 4 per cent of the total area sown, but its importance to India is immense Ten years ago, India was importing sugar to the tune of Rs 15 crores annually But today, sugar manufacture is one of the most important industries in India With the growth of the industry, the cultivation of cane also developed and India now occupies a proud first place among the sugarcane growers of the world In 1934-35, the total area sown amounted to 3 5 million acres, yielding raw sugar of 5 million tons approximately The United Provinces, Bihar and Orissa are the chief producers of the crop, though the cultivation extends to all other provinces

The cultivation of fruits and vegetables has not gained much importance in India The chief impediments in the way of any development in this sphere are the lack of transport facilities, prohibitive railway freights and lack of cold storage facilities The total area under fruits and vegetables in 1934-35 was estimated at 4 8 million acres against 4 85 million in the previous year There is vast scope for development in this industry in India and it is hoped that the recent flotation of several joint-stock companies to build cold storages vaults in all important towns in Northern India should go a long way to assist the progress of fruit culture Yet, cheap railway freight and transport facilities are, without doubt, the most vital needs of the trade

Under drugs and narcotics, the total area sown in 1934-35 amounted to 2,409,000 acres distributed as follows —

	(1,000 Acres)
Opium	9
Coffee	96
Tea	783
Tobacco	1,257
Other drugs and narcotics	264
	2,409

Fodder crops include oats, field vetch, guinea grass, lucerne, fodder *jowar* and *carob* or locust tree and the total area under this head amounted to 10,308,000 acres in 1934-35

The normal outturn of the various crops in India depends mainly on the timely monsoon rains But in recent years, irrigation has been resorted to on an extensive scale in tracts where rainfall is most precarious and the Government of India have been devoting more attention for the development of irrigation facilities In lower Burma, Assam, East Bengal and Malabar Coast, where the rainfall is ordinarily heavy, the crops hardly need any irrigation, unless an unusual scarcity of rain occurs The total area irrigated in 1934-35 amounted to 50,534,000 acres Of this about 22 4 million acres were irrigated from Government canals, 3 7 million acres from private canals, 12 5 million acres from wells, 6 2 million acres from tanks and 5 7 million acres from other sources Of the total area irrigated in India, the Punjab accounts for 29 per cent , U P 21 per cent Madras Presidency 18 per cent , Bombay 10 per cent , Bihar & Orissa 10 per cent and other Provinces 12 per cent In the Punjab of the total sown area 54 per cent is served by irrigation, 44 per cent in the N W F Province, 38 per cent in Ajmer-Merwara and 30 per cent in the United Provinces

A substantial portion of the revenue of the Government of India is derived from the land There is a general complaint that the peasant is heavily taxed and that it is out of all proportion to his income

Land revenue is assessed in British India under three heads *viz* , (1) raiyatwari , (2) zamindari or village communities (temporarily settled) and , (3) zamindari (permanently settled) When the revenue is assessed by the State on individuals who are actual occupants or are accepted as representing the occupants, of smaller holdings, the tenure is known as raiyatwari Under this system, there may be rent-paying sub-tenants In the second category, *i e* , zamindari or village community, the revenue is assessed on an individual or community owning an estate and occupying a position identical with or analogous to that of a landlord The tenure may be either temporarily settled *i e* , land revenue is fixed for a limited number of years only, or permanently settled, and if the latter is the case, it falls under the third category, zamindary (permanently settled) The total area assessed in 1934-35, as per the latest available Government statistics was 667,451,000 acres, of which 334,836,000 acres were assessed under raiyatwari system 121,377,000 acres under zamindari or village community (temporarily settled) and 198,379,000 acres under zamindari (permanently settled) It will be noticed that 50 per cent of the total area is held by raiyatwari proprietors, 30 per cent by temporarily settled proprietors and 19 per cent by permanenty settled zamindars The total land revenue realised by the Government in 1934-35 amounted to Rs 38,24,13,000 and the total population under assessment was 265,691,000 with the assessment per head amounting to Rs 1-7

Agricultural products hold a predominant position in the export trade of the country inasmuch as they constitute nearly 60 per cent of the total value of exports from India The following table would be illuminating in this connection —

	(In Thousand Rupees) (1937-38)
Cotton, Raw and Waste	29,77,37
Tea	24,38,46
Seeds	14,17,88
Grain, Pulses and Flour	9,48,89
Jute, raw	14,71,92
Oilcakes of all kinds	2,42,58
Wood and Timber	26,33
Fruits and Vegetables	2,08,19
Rubber, Raw or Crude	83,83
Fodder, Bran and Pollard	9,46
Tobacco	1,99,61
Coffee	54,59
Oils—Vegetable, Mineral and Animal	1,01,03
Dyeing and Tanning Substances	81,36
Spices	93,48
Provisions and Oilman Stores	63,27
Gums, Resins & Lac	1,88,55
Rs	106,06,80
Total Exports of Indian Merchandise Rs	180,92,12

The above review relates only to the conditions in British India and information with regard to the conditions in the Indian

States is unreliable inasmuch as existing statistics are incomplete and inadequate But taking a general view of things one can boldly say that agriculture in most of the Indian States is not in any way better in comparison with the conditions prevailing in the British Provinces Though in recent years some of the progressive states like Mysore, Cochin, Travancore, Baroda etc , are pursuing a vigorous policy towards improving the conditions of their agricultural population, their success, no doubt, depends to a great extent on the general policy of the Government of India, because the economic nexus between both is intimate

The total area covered by Indian States and the specially administered areas of the North-West Frontier Provinces and Baluchistan amount to about 476 million acres, with a population of about 78 million The agricultural statistics of these States are defective and incorrect, as their administrations are not maintaining any statistics at all The States supplying information to the Government of India's statistical Department number only 77, comprising about 55 per cent of the total area The surveyed area in all the reporting states exceeds 145 million acres Out of this, the net area sown in a year amounts to only 50 per cent Of the net area sown 75 per cent are covered by food-grains, 10 per cent by oilseeds, 10 per cent by fibres and 4 per cent by fodder crops, the remainder being under miscellaneous crops Almost all the crops produced in British India are grown in Indian States

The foregoing survey is in no sense a comprehensive survey of India's agriculture or the problems thereof The latter hardly admit of any useful treatment in the course of a short article The aim, therefore, is rather to show the relative importance of the principal crops and to enable an appreciation of the extent to which the prosperity of India's agriculture is dependent on the internal conditions The division between food-crops and money-crops will also, we trust, be apparent at every stage

JUTE

India holds the world monopoly for the cultivation of jute on a commercial scale The growing of the plant is confined almost entirely to the Gangetic delta and the Brahmaputra valley Jute is a fibre extracted from the bark of the plant by retting in water, and then washed and dried Bengal produces about 90 per cent of the total yield, and the remaining quantity is grown in the adjacent provinces of Bihar, Orissa and Assam The importance of jute to the world does not arise from its being a pre-eminent commercial product alone , its bearing on the entire economic structure of the province itself, is unique Though, in respect of the total acerage sown in Bengal, jute is only second to rice, covering 10 per cent as compared with 72 5 per cent under rice, (mean percentage for the decade 1921-30) the jute trade is in sharp contrast with that of rice, inasmuch as the former brings in money from outside the country The value of the annual exports of jute and jute manufactures accounts for a remarkably high percentage, not only of the total value of the provincial exports, but also of the entire Indian exports While jute and jute manufactures account for about 50 per cent of the total value of exports from Bengal, these two items alone contribute more than 25 per cent of the total value of exports from India

The following table shows the comparative value of the jute crop to the cultivators, as compared with other crops of Bengal —

VALUE OF MARKETABLE CROPS OBTAINED BY CULTIVATORS (ACCORDING TO HARVEST PRICES)

(In crores of rupees)

PRINCIPAL CROPS	Average for Ten years 1920-21 to 1929-30	1930-31	1931-32	1932-33
Food Grains (in excess of consumption by cultivators)	20 83	21 22	17 04	13 64
Tobacco	4 57	3 30	2 44	2 13
Rape and mustard	2 96	2 01	2 42	1 07
Sesamum	0 65	0 43	0 20	9 34
Linseed	0 38	0 27	0 19	0 16
Other Oil Seeds	0 09	0 10	0 06	0 94
Jute Cotton	0 37	0 21	0 21	0 20
	35 72	17 60	10 29	8 62

While the figures given in the above table prove the immense importance of jute to the agricultural interests of Bengal, its superiority as the most remunerative crop from the point of view of agricultural economy is equally commendable Of the four important agricultural products in India, viz, rice, wheat, jute and cotton, as far as the market value of the produce per acre is concerned, jute occupies distinctly the highest price, as illustrated by the following table —

(AVERAGE FIGURES FOR 10 YEARS, 1904-13 INCLUSIVE)

Crops	Area in 1,000 acres	Yield 000's omitted	Yield per acre	Wholesale price per Md	Market value of produce per acre
		Tons	Mds	Rs	Rs.
Rice	569,895	24,025	11 5	4 75	54 62
Wheat	28,115	8,752	8 4	3 73	31 33
		Bales			
Cotton	20,980	3,837	0 88	28 30	25 04
Jute	3,114	8,299	12 9	9 68	128 79

From the above table, it can be ascertained that, while the value per acre of jute produced amounts to about Rs 129, the value of rice, the chief food crop of India, amounts to only Rs 55, whereas the cotton crop yields Rs 25 per acre

Though Bengal possesses the world monopoly for the most remunerative agricultural product in India, it cannot boast of having utilized the unique position to its best advantage For, the cultivation of jute is not regulated according to the requirements of the world It is this maladjustment between production and demand that made jute the worst victim of the recent world trade depression The average price of jute realised during the decade before the depression and the depression period would give an idea of the steep fall in the price of jute

	Average yearly production	Average harvest price per md	Annual values (In crore Rs)
1919-29	4 70 mds	Rs 9 6-0	44 06
1930-34	4 19 ,,	Rs 3-10-0	15 20

The average income from the crop during the depression period has fallen to Rs 15 crores from Rs 44 crores during the decade immediately preceding the depression Such a terrible loss to the income of the people threatened, in turn, to have great repercussions on the income of the Government The Government of India and the Provincial Governments were urged from all quarters for immediate assistance to the cultivators But the Government appeared to be half-hearted in taking any immediate measures At last, the Bengal Legislative Council appointed a Jute Enquiry Committee, which, after about two years of enquiry submitted a report Meanwhile, the country had been caught in the grip of depression, and suffering from its effects After great deliberation, and much leisurely consideration of the Jute Enquiry Committee Report, what the Government of Bengal decided was to launch a campaign amongst the cultivators for the voluntary restriction of the acreage under jute in the 1934-35 season The very announcement of the Government resulted in a substantial improvement in the price of jute, though the bulk of the trade was sceptical of any success The propaganda was not considered a great success at the end of the season, for, though the production showed a small reduction over the previous season, it was partly due to adverse weather conditions Again, in the succeeding three seasons, Government stuck to the same policy and started voluntary restriction propaganda But the increased production of jute during the three seasons proved voluntary restriction to be a disastrous failure , and had it not been for the crisis of unrestricted production in the industry, jute would not have improved from the low level

The season 1938-39 is notable for the sharp fluctuations in prices for jute Early in the season the floods in East Bengal and the depressed conditions in the jute industry accounted for a sharp fall in prices and the lowest level for many years, of Rs 28 in the futures market, was recorded The Government of Bengal was at a loss to devise ways and means to improve the position of the ryot At last it was decided to put an end to the state of over-production in the industry and improving the statistical position thereby bringing about an improvement in the prices for jute manufactures It was believed that the higher rices for jute manufactures consequent on the reduction in production would be to a certain extent reflected in the prices for jute Not only was the rot in the jute market arrested, but a considerable improvement in prices was recorded Only the beginning of this year saw a boom in jute prices The huge orders for sandbags and the increase in exports combined with a short crop caused a scarcity of supplies The highest price of Rs 62-4 was recorded in the futures market It was found advantageous by certain mills to sell their

stocks of jute owing to the sharp appreciation in values The beginning of the new season, however, relieved to a considerable extent the shortage of supplies and with the premium for early shipment arrivals came in freely Crop estimates were rather bearish as it was freely given out that there would be a bumper crop amounting to 120 lakhs It is now estimated that the crop will be in the region of 95 lakhs The outbreak of war has thoroughly altered the outlook for the fibre The increase in the number of working hours and the huge orders for sandbags have brought about a sharp rise in prices While it was decided only as recently as August to fix a minimum price for jute and jute manufactures there is now the need for checking an undue rise in prices on account of uncontrolled speculative activity

The fixation of a minimum price for jute of Rs 36 in the futures market was only regarded as a temporary measure as owing to the difficulties in fixing prices for loose jute, which are now under consideration, some immediate action was considered likely It is also proposed to compulsorily regulate the area under the crop in order to ensure a fair return for the cultivator over a period

The area under jute is normally between 20 to 25 lakhs of acres (its maximum was reached in 1907-08 with 38 8 lakhs of acres, and minimum in 1921-22 with 15 4 lakhs of acres) The average holding of the jute growing ryots is 3 acres, of which they put 1 acre under jute The normal outturn of jute per acre is 3 7 bales in Dacca and Chittagong Divisions, 3 5 bales in Rajshahi Division, 3 2 in the Presidency and Burdwan Divisions, 3 3 in Bihar and Orissa and 3 5 in Assam The sowing period extends from March to May, and harvesting is carried on June and July

The following table gives the area under jute in the three provinces of India for the last seven years and 1920 —

	Bengal		Bihar & Orissa		Assam		Total	
Year	Acres	Bales of 400 lbs	Acres	Bales of 400 lbs	Acres	Bales of 400 lbs	Acres	Bales of 400 lbs
1920	2,169,000	5,247,000	179,000	330,000	125,000	275,000	2,509,000	5,915,000
1930	3,062 300	9,966,000*	238,000	670,000†	185,300	595,000	3,485,600	11,231,000
1931	1,613,700	5,002,700*	148,800	367,200†	99,300	196,600	1,861,800	5,565,500
1932	1,845,700	6,213,500*	170,000	518,500†	127,400	340,100	2,143,100	7,097,100
1933	2,168,700	7,092,100*	192,100	473,200†	130,200	367,900	2,491,000	8,01[illegible],000
1934	2,347,700	7,749,500*	173,800	472,000†	148,600	303,900	2,670,100	8,525,400
1935	1,917,500	6,538,000*	145,600	389 000†	117,800	312,600	2,180,900	7,239,600
1936	2,251,150	8,035 900*	477,100	1,138,300†	157,500	461,700	2,885,750	9,635,900
1937	2,208,900	7,072,200*	460,600	954,300†	219,150	654,600	2888,600	8,681,100
1938	2,521,400	5,754,850*	327,400	488,800†2	25,000	451,300	3,073,900	6,694,950
1939	2,549,600	8,32,200*	288,000	767,800†	281,100	557,300	3,118,700	9,646,300

* Includes Cooch Behar & Tripura States
† Including imports from Nepal

The above figures are taken from the forecast issued by the Government But private estimates of the trade have always proved to be more reliable The following table shows the actual production of jute for the past four seasons —

(In lakhs bells)

Season	Calcutta Imports	Exports from Chittagong	Total Crop
1933-34	86 45	3 01	89 44
1934-35	94 92	3 01	97 91
1935-36	79 92	1 58	81 49
1936-37	104 53	2 47	106 97
1937-38	97 28	2 34	103 08
1938-39	87 21	1 91	93 62

Indian mills are buyers of Jat, District and Northern jute mostly, but they also buy small quantities of the Tossa and Desi varieties The United Kingdom and Germany are our largest buyers of jute Dundee purchases high class jute of all grades, and particularly Desi and Tossa The Continent purchases white jute of Northern and Western grades, and also ordinary quality of Desi and Tossa

Calcutta is the chief centre of the jute trade Around the city on the banks of the Hooghly are situated many jute mills Jute is purchased from cultivators in the

mofussil markets, and sent to Calcutta and mill stations in kutcha bales by boats and rail In Calcutta, it is assorted and pressed into pucca bales of 400 lbs each by the balers The jute balers have got an organisation of their own called the Calcutta Jute Balers' Association, who practically control the sales of ready jute There is also a futures market for jute in Calcutta managed by the East India Jute Association, which is an organisation limited by guarantee and holding a membership of about 300 The futures market is controlled by a Board consisting of members of the various organisations of the trade The futures market has got an important bearing in the fluctuations of jute prices

In 1936, the Government of India sanctioned the appointment of an Indian Central Jute Committee, which has begun to function from the beginning of this year The work of the Committee is said to include the improvement of the crop forecasting and statistics, production, testing and distribution of seeds, banking and transport facilities and improvement of marketing of jute The personnel of the committee includes all interests belonging to the jute trade

In 1937 the Indian Central Jute Committee was established with its headquarters at Calcutta The Committee has been registered under the Registration of Societies Act XXI of 1860 and a grant of Rs 5 lakhs per year has been sanctioned by the Government Soon after the establishment of the office the Committee has taken up the work of making a comprehensive survey of the jute areas with a view to provide the trade with an accurate forecast of the jute crop An enquiry into the marketing and transport of jute has been programmed A laboratory for experimental spinning for research purposes is in the course of construction The collection of accurate statistics is also undertaken by the Committee The activities of the Committee are watched with keen interest by the trade

RICE

Rice is, in many respects, the most important of India's agricultural products It is the staple food of millions all over the country Its cultivation, like that of cotton, is spread over nearly all parts of India And the total acreage under rice was in 1931-32, for instance, as much as 84 millions, which is far in excess of the acreage under any three of the other crops It contrasts, for instance, with 33 8 million acres under wheat in 1931-32 and 23 5 million acres under cotton

The main zones of rice cultivation are Bengal, Bihar, Orissa, Madras and Burma It is generally regarded as a winter crop, being harvested in December and January, while the sowing season extends from May to August Two other less important crops are also raised in most provinces in autumn and summer The table on the next page gives the area and production of the three rice crops in the various provinces

The position of rice in each province is somewhat different in that the proportion between the exports and internal consumption in each province is not the same But nearly every province, excepting Burma consumes the major portion of its production Bengal and South India are unique in that they enjoy an export trade in the better quality rice and import part of their requirements of low grade rice from Burma India's export trade in rice has been subject to severe fluctuations in recent years and her position in the export markets has proved to be more vulnerable than one would have suspected a few years ago In fact, she has practically lost all her European customers But it is doubtful if, at any time, her predominant position as a producer of rice can be challenged The disparity between India's output of rice and that of other principal rice-growing countries may be seen from the following table —

PRODUCTION OF RICE

(In Quintals 000's omitted)

	1929-30	1933-34	1934-35	1935-36
British India	474,949	471,516	461,310	425,672
Japan	107,703	131,457	96,214	106,638
Dutch East Indies	54,792	53,144	57,588	57,476
Siam	39,058	50,077	45,978	47,270
Korea	24,778	33,765	31,027	33,193
Formosa	11,720	15,121	16,869	16,923
Madagascar	6,150	7,228	6,689	6,300
U S A	8,288	7,685	7,970	7,917
Italy	6,737	6,915	6,730	7,352
Asia	805,810	850,000	795,000	786,000
Africa	16,980	20,800	20,000	22,000
Europe (excluding U S S R)	10,215	11,171	11,536	12,413
S America	13,660	15,200	16,900	15,000
World	856,000	909,000	856,000	848,000

Rice Forecast

Provinces and States	Area in 1,000 acres				Yield in 1,000 tons			
	1935-36	1936-37	1937-38	1933-39	1935-36	1936-37	1937-38	1938-39
Bengal —								
Autumn crop	5,851	5,757	5,864	5,727	1,015	1,903	1,963	1,403
Winter ,,	14,837	15,804	15,923	15,836	5,003	7,692	6,873	5,963
Summer ,,	404	432	407	411	189	219	198	201
Burma ,,	12,503	12,691			4,998	4,709		
Madras ,,	9,896	9,890	10,141	9,943	4,711	4,794	4,850	4,057
Bihar —								
Autumn crop	2,416	2,304	2,314	2,291	611	663	632	539
Winter ,,	7,243	7,633	7,188	7,276	1,836	2,692	2,508	2,111
Summer ,,	12	12	12	13	3	4	5	4
Orissa —								
Autumn crop	I,132	1,128	921	945	229	332	253	249
Winter ,,	4,059	4,107	4,109	4,165	1,059	1,312	1,314	1,149
Summer ,,	27	28	28	28	8	8	8	8
Assam —								
Autumn crop	1,065	1,057	1,002	1,011	279	306	295	244
Winter ,,	4,024	4,179	3,828	3,828	1,304	1,505	1,363	1,256
Summer ,,	197	197	193	195	80	84	84	87
Bombay —								
Autumn crop	2,398	2,267	2,489	2,322	1,027	871	1,098	942
Spring ,,	17	16	18	17	7	6	7	7
United Provinces	6,672	6,683	7,091	7,621	1,955	1,928	2,030	1,982
C P and Berar	6,672	7,683	7,790	7,824	1,865	2,362	2,047	2,263
Sind	11 30	1,188	1,236	1,193	387	479	537	484
Coorg	83	85	85	84	54	55	55	56
Hyderabad	1,064	1,135	962	884	336	418	368	321
Mysore	741	726	707	732	222	229	221	201
Baroda	206	179	190	197	52	28	37	40
Bhopal (Central India)	28	29	29	31	9	10	9	10
Total	83,556	85,210	72,554	72,574	28,269	32,593	26,763	23,577

decline but a clearly discernible change of direction is also noticeable The changes in India's export trade in rice may be epitomised in the following table —

RICE NOT IN HUSK

(in Tons)

Exported to	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938 39
United Kingdom	131,083	75,210	71,415	88,375	50,122	53,754	5,864	6,446
Germany	226,676	228,106	246,113	157,934	79,209	53,831	103	103
Netherlands	112,412	95,641	80,885	62,408	69,799	111,724	5,74	3,200
Ceylon	409,869	394,314	403,329	391 501	423,706	427,591	91,101	104,953
Straits Settlements	239,757	156,479	153,971	135,436	138,418	161,495	7,761	11,147
Sumatra	95,343	62,491	69,805	70,013	74,744	47,210		
China	416 809	233,23	170,613	173,425	71,747	16,585	4	12
Egypt	111,502	36,285	24,102	29,883	13,706	9,166	30	46
Cuba	70,173	39,013	46,190	16,715	25,449	32,020	3,15	2,887
Other countries	487,291	506,804	466,086	466,847	446,715	543,654	113,5	129,365
Total	2,301,415	1,828,196	1,732,539	1,592,517	1,393,615	1,457,030	227,26	280,557

The above figures regarding production and exports include those for Burma except in the case of exports for 1937-38, for which figures for British India alone are given It must be remembered that before the separation of Burma, so far as the rice trade was concerned, Burma was responsible for about 90 per cent of the export trade in rice As would be seen from the table of rice forecast given on another page, though the total annual production of Burma in 1936-37 amounts to only about 5 million tons against the total production of 33 million tons, a large part of the crop is exported to either British India or to foreign countries So far as British India is concerned she is now a net importer of rice and recently large imports of cheap Burmese rice into Bengal and South India has been a serious menace to the internal trade All the surplus production of Burma is dumped into the Indian market at extremely cheap prices, with the inevitable result of depressing the internal market This is all the more unfortunate when it is realised that India is capable of producing all her requirements of rice It is, therefore, an absolute necessity to control the imports of Burmese rice and thus endeavour to stabilise the rice trade in this country Such a course would be necessary, for all efforts at an expansion of internal wealth by means of reclaiming more lands for rice cultivation would not be a success in the face of cutthroat competition from the Burmese product

The import of Burmese rice into India must be now treated in the same way as in the case of Siam and Indo-China It is still fresh in our memory how the dumping of rice from Siam and Indo-China into the Southern Presidency five years ago almost crippled the rice trade The conditions in the rice trade had already been depressed, partly on account of the world economic crisis and partly on account of certain local factors and the imports of Siamese rice created a very acute situation, in which the rice-growers had of necessity to organise themselves for the purpose of agitating against such imports and demand from the Government of India an import duty on rice As in most other popular demands the Government of India evinced the utmost reluctance to afford this relief to Indian rice and finally conceded a grudging and inadequate relief in the shape of a duty of annas 12 on every maund of broken rice

Though this has helped to reduce the enormous quantity of exports, India is still importing rice, the total value of imports in 1938-39 amounting to more than Rs 11,84 lakhs from other countries including Burma

The rice trade in India is still lying in the melting pot and prices have been continuously falling during the past three years As for instance, Seeta No 1 in Bengal has declined from Rs 5-8 in December 1936

to about Rs 3-4 in the first half of 1939, while Table rice No 1 has fallen from Rs 5-4 to about Rs 3 during the same period

The loss of the foreign markets and the advent of foreign competitors even at home make it fairly clear that our national policy in regard to rice must concentrate more and more on the internal demand There can be no question that, in consideration of the increase in the total population and the extent to which the masses are under-fed, increasing consumption and thus ensuring a balance between internal production and consumption

Under the Ottawa Agreement the United Kingdom and some other British colonies have granted to Indian rice a preference to the extent of 1d per lb But the results of the past years have shown little encouragement to think that the preference is of any real benefit It has been said that Indian rice is not sufficiently polished or well-finished to attract the British consumer, though its intrinsic quality is in no way inferior to that of the Spanish or American product, which are in good demand in Great Britain Moreover, the rice trade in India is not well-organised and the majority of traders are guilty of negligence in meeting the needs of the foreign consumer If an organised attempt is made in the direction it would not be indeed a difficult task for Indian rice to regain its lost reputation in the foreign markets

COTTON

India is the largest producer of cotton in the world next to the United States of America Though the total area sown under cotton amounts to only less than a third of that under rice, its importance may, in one view, be said to be even greater than that of rice, inasmuch as it is a money crop Besides supplying the raw material for a staple industry, cotton forms a valuable item of India's export trade More than 50 per cent of the total production is exported to foreign countries, Japan being the chief customer, while about 40 per cent of the crop is absorbed by the mills in India and the remaining few lakhs of bales utilised by the cottage industry of handspinning and weaving

In spite of the fact that more than half the total production of Indian cotton finds an export outlet, it does not figure as much in the international trade as the American or Egyptian cotton For, with the exception of Japan, whose takings alone amount to more than half of the total exports, there is no large single customer for Indian cotton This drawback of Indian cotton is due mainly to its inferior quality as compared with the American or Egyptian product Though several successful experiments have been carried out by the Government in the past few years and the growth of improved cotton has been encouraged, a good deal remains to be done before the Indian variety attains the standard of the foreign growths

Apart from the question of quality, another important factor which goes to reduce the competitive ability of Indian cotton in the world trade is the backwardness of cultivation That cotton growing in this country is still, like the rest of our agriculture, on primitive lines, is clearly evident from the extremely low yield per acre of Indian cotton While in Egypt, the average yield per acre is about 400 lbs, and in the United States 170 to 200 lbs, in India it is only about 80 lbs per acre, which is slightly more than half of the world average of 150 lbs The low yield per acre in India is not confined to cotton alone but it is a general complaint in all the other commodities grown in India, though one has to admit that in the case of cotton it is unreasonably low Cotton cultivation thus offers not a little scope for the activities of the Imperial Council of Agricultural Research and the Indian Central Cotton Committee Another important aspect of cotton in India is that its production is well spread over nearly all parts of the country and that measures for improving its position and prospects will shower their benefits on all provinces, unlike most economic measures, which may be represented to be partial to one province or two at the expense of the others It is also significant that the coton textile industry in India is not merely on a large scale and capitalist lines, but it also embraces a handloom industry, which is run as a cottage industry and which, with encouragement, is capable of becoming a very valuable support for the rural masses Cotton spinning in the *Charka* and *Khaddar* making, which said to be a part time household occupation of the poor agriculturists, is now being revived and encouraged by the India National Congress Cotton may, therefore, be said to run through the gamut of India's economic life and has, therefore, a far greater claim on State policy than any other single economic factor

As already mentioned America is the

world's largest producer of cotton and together with India she accounts for about 60 to 75 per cent of the world's total production The following table gives the figures of production for the various cotton producing countries of the world —

WORLD'S COTTON CROPS

(In Thousands of bales of 500 lbs)

Country		1930 31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United States—	Lint	13,932	17,096	13,002	13,047	9,636	10,638	12,399
	Linter	986	1,067	912	982	975	1,000	1,350
Total		14,918	18,163	13,914	14,029	10,611	11,638	13,749
Mexico		174	203	99	255	233	2[illegible]5	373
Brazil		471	575	438	958	1,309	1,539	1,707
Peru		265	228	237	278	336	370	400
Argentina		136	165	146	206	258	295	148
Other South American		57	46	39	76	70	100	100
India*		5,226	4,007	4,657	5,108	4,858	5,728	6,307
China		2,386	1,733	2,195	2,652	3,030	2,309	3,760
Japan and Korea		147	99	133	197	224	239	212
East Indies, etc		18	15	13	14	20	20	16
U S S R		1,589	1,846	1,776	1,917	1,744	2,493	3,550
Persia		64	107	79	181	200	200	161
Iraq, Ceylon, etc		3	1	†	†	2	4	8
Asia Minor etc		120	131	68	191	258	345	422
Egypt		1,655	1,271	991	1,715	1,511	1,707	1,821
Sudan		96	188	110	126	237	193	259
East Africa (British)		166	182	269	274	273	322	344
South Africa (British)		8	3	2	3	3	4	3
West Africa (British)		15	5	20	23	47	52	40
Non-British Africa		125	96	121	156	192	190	234
West Indies (British)		4	2	2	3	4	4	5
West Indies (Others)		21	31	26	23	30	23	27
Australia, etc		10	4	11	18	14	16	15
World's Total		27,674	29,102	25,345	28,403	25,481	28,026	33,661
World's (exl U S A)		12,756	10,939	11,431	14,374	14,870	16,388	19,912
Percentage of Total		46 0	37 5	45 1	50 7	58 3	58 6	54 9

*Government estimate, 400 lb bales †Less than 500 bales

It is interesting to note that while, during the last few years, America's share of the total output of cotton has been increasing, she has been losing ground in the world markets not only to her old rivals, but also to certain new countries which have increased their output and are still planning for further expansion of acreage under cotton This development must be attributed to the comparatively higher price of cotton, which has resulted from the special measures taken by the Roosevelt Administration to maintain the price of raw cotton at a certain level without reference to world prices This artificial raising of prices was attained by the American Government by granting loans of 12 cents per lb of cotton to farmers, thus strengthening their holding power, and by purchasing large quantities of cotton at a fixed minimum This had, no doubt, helped to maintain the price of American cotton at a high level in the beginning But ever since the decision of the American Supreme Court in 1935 declaring the N R A unconstitutional and later the Agricultural Adjustment Act and the Bankhead Cotton Control Act, the whole structure of President Roosevelt's Recovery Plan was upset The disposal of the enormous holdings of Cotton in the hands of the American Government became a problem The high artificial price of American cotton was taken advantage of by foreign growers who steadily increased their output, which consequently reduced the export demand of American cotton The terms of the loan were modified in 1936 and a ten cent loan with a subsidy of 2 cents per lb was announced But the absence of any effective control increased the production of cotton to above 12 million bales in 1936 and in 1937 the production has further increased to exceed 16 million bales This big increase in the American cotton output and a further reduction of the Government loan to 9 cents per lb with a subsidy of 3 cents caused a disastrous landslide in the price of cotton in the second and third quarters of 1937

It will be noticed that the production of Indian cotton, too, has been increasing

during the past few years, while at the same time the favourable parity of Indian cotton prices helped to increase our exports The following table gives the volume and value of our cotton exports during the last six years and the prewar average —

EXPORTS OF RAW COTTON

Country to which Exported	(Quantity in Thousands of Bales of 400 lbs) Pre-War Average	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	(Value in Lakhs of Rupees) Pre War Average	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
United Kingdom	122	168	342	347	456	601	395	172	3,37	3,42	4,5	6,53	4,28	355
Other parts of British Empire	30	2	3	3	3	4	5	41		3	5	5	5	6
Japan	1,012	1,085	1,105	2,053	1,759	25,99	1,359	14,51	11,38	21,53	17,94	25,41	14,79	11,27
Italy	233	151	261	278	155	165	142	3,18	2,39	2 55	1,42	1,70	1,57	69
France	109	123	161	148	165	155	95	1 51	1,53	1,35	1,6	1 58	94	1,45
China (exclusive of Hongkong, etc)	31	134	345	142	109	72	69	43	3,30	1,29	1,05	72	69	1,71
Belgium	277	128	144	153	2,25	316	197	3,68	14	1,49	2,20	3,21	2,10	1,24
Spain	50	50	55	60	68	27		73	63	55	64	25		1
Germany	351	151	246	153	258	213	163	4,45	2,09	1,37	2,61	2,22	1,71	1,58
Other Countries	192	71	159	153	199	166	302	266	1,40	1,40	1,73	2,74	2,90	
Total British Empire	152	170	345	350	459	605	400	213	3,37	3,45	4,56	6,58	4,33	3,61
Total Foreign Countries	2,255	1,893	2,476	3,140	2,938	3,663	2,332	31,15	23,22	31 05	3,321	37,83	21,70	20,25
GRAN TOTAL	2,407	2,013	2,821	3,490	3,397	4,268	2,732	33 28	26,59	34,95	33,77	44,41	29,03	23,86

It will be found that, in the years of the depression, the cotton trade was subject to vicissitudes of which the slump in India's exports in the year 1932-33 is the most noteworthy As is well-known, this slump was due to the boycott of the Indian cotton carried out by Japan in answer to India's treatment of Japanese piecegoods During the period Indian cotton was subjected to the boycott, the price of cotton slumped heavily leading to serious distress among the cotton growers The Japanese cotton textile industry also was hard pressed, and, in these conditions, it was found comparatively easy for Japan and India to come to an agreement laying down somewhat variable quotas for the export of India's raw cotton to Japan and Japan's export of piecegoods to this country It will be seen from the figures of our exports of cotton during the last two years that Japan has kept her part of the agreement in regard to her off-take of Indian cotton, though, it may be added, here and there, there are complaints of Japan's attempts to evade the Pact in respect of her exports of piecegoods by resorting to various questionable devices

This pact with Japan was again renewed at its expiry in March 1937 According to the new Pact Japan is allowed to import 283 million yards of cotton piecegoods in return for her taking one million bales of raw cotton every year , and the maximum import of piecegoods has been limited to 358 million yards in exchange for 1½ million bales of cotton

Next to Japan, the principal market for Indian cotton is the United Kingdom But this position was gained by her only since 1933 as a result of the Mody-Lees Pact, which contemplated the pursuit of propaganda in Lancashire for increased consumption of the long-staple qualities of Indian cotton Thus, it will be found that the greater portion of India's total exports of cotton is absorbed by Japan and the United Kingdom Other Continental customers

could not be relied upon as their takings have been very irregular and comparatively lower

Though a considerable part of the production finds an export outlet, it must not be forgotten that India has a large cotton mill industry of her own, which has been expanding with rapid strides during the last few years The annual consumption of Indian cotton by mills in India amounts to about 2,750,000 bales The figure for 1938-39 beat all previous records The continuance of production at a high level accounted for a total internal consumption of 3,083,800 bales

As has been already pointed out the production is spread over the whole of India Bombay Presidency, and the Punjab are the two largest producing centres The following table gives the distribution of the acreage of cotton in India during the season 1938-39 —

	Area in 1,000 Acres	Yield in 1,000 Bales
Bombay	5,599	1,105
C P & Berar	3,893	648
Punjab	3,675	1,082
Madras	1,505	294
United Province	666	181
Sind	979	374
Hyderabad	3,221	459
Central India	1,233	174
Baroda	865	197
Gwalior	633	107
Rajputna	473	102
Mysore	84	11
Other Provinces		
Total	23,049	4,797

It may be easily guessed from a glance at the above table that, as cotton production is spread over a wide variety of climatic conditions, there is no uniformity in respect of the season for sowing and planting Another circumstance tending to aggravate this lack of uniformity is that in certain areas, the cotton lands are not irrigated but rain-fed The Bombay presidency occupies a pre-eminent position in the production of cotton, and in the other provinces, its place in the provincial economy can hardly be under-rated There is a wide range of Indian cottons, the chief of which are Broach, Khandesh, Kumta-Dharwar and Sind in Bombay , Oomras in Central Provinces and Berar , Cocanada, Kambodia, Karungani and Tinnevellys in Madras Presidency, Sind-Punjab and Punjab-American in the Punjab, Bengals in United Provinces and Comilla of Bengal and the other North-Eastern provinces Under the Indian Cotton Cess Act, a cess of As 2 per Standard bale of cotton is levied on the Indian cotton exported to foreign countries On cotton consumed in the Indian mills, a cess of six pies per lb is levied This cess forms the funds of the Indian Central Cotton Committee, which devotes it to improvements in cotton-growing, marketing and for carrying on research work in this connection The cotton trade, however, is regulated in the Bombay presidency by the East India Cotton Association, which is a statutory body with power to control transactions in raw cotton It was in 1918 that provision was made for a unitary control of the dealings in raw cotton, which, before that year, were conducted under the rules of the Bombay Cotton Trade Association or of the Bombay Cotton Exchange The East India Cotton Association came into being in 1932 and, since then, the cotton trade has functioned smoothly and efficiently In other parts of India, the cotton trade is not so organised as in Bombay, but the ready marketability of this commodity and the busy export trade have brought about close links between the cotton-grower and the exporting houses through a series of middlemen, who may be said to be common to almost all the principal agricultural staples There is a general movement in favour of bringing the marketing of cotton within the scope of the co-operative movement But, this, as most other reforms in India's rural economy, would seem to be a slow progress

Apart from these problems connected with the improvement in methods of cultivation and of marketing, the question of enabling the area under cotton and the total production to regain the levels of the pre-depression period was to be tackled by the Central Cotton Committee For, it is to be remembered the area under cotton underwent a steady decline from 1929-30 up to 1932-33 and that thereafter there was a slight rise in 1933-34 1934-35, however, according to the revised figures, failed to keep up the upward trend The position may be better appreciated by a glance at the following table —

	Acreage (In 1,000's)	Production bales (In 1,000's)
1929-30	25,922	5,243
1930-31	23,812	5,224
1931-32	23,522	4,064
1932-33	22,483	4,657
1933-34	24,137	5,108
1934-35	23,972	4,858
1935-36	25 999	5,933
1936-37	25,219	6,307
1937-38	23,049	4,797

It will be seen that, though the production in 1934-35 was only 4 8 million bales, in 1936-37 the production of cotton improved substantially to 6 3 million bales The Indian Central Cotton Committee has achieved considerable success in other directions also It is through its efforts that several legislative measures designed to improve the growing and marketing of Indian cotton have been introduced in British India and in Indian States Under its direction scientific investigations are carried on into the causes and prevention of cotton pests and the Committee also finances large-scale operations for the rapid extension of improved types of cotton Valuable and accurate statistics are also maintained by the Committee and on the research side the Committee's Technological Laboratory at Matunga is proving to be of immense benefit to the agriculturists and the trade

SUGARCANE

With the rapid development of the sugar industry in India during the past decade and a half, sugarcane has gained the importance of a prominent and paying crop Till ten years ago, India had been importing sugar worth abount Rs 15 crores annually The development of the sugar industry not only brought down the value of total imports to less than a crore of rupees in 1936-37, but helped at the same time, the growth of sugarcane cultivation And, to-day, India occupies the first place amount the producers of cane in the world The annual value of the crop is estimated at Rs 60 crores The amazing progress in sugarcane cultivation can be seen from the following table —

Year	Area in 1,000 acres	Acreage under improved varieties 1,000 acres	Calculated production of sugar-cane in 1,000 tons
1925-26	2,806		34,382
1931-32	3,076	1,170	43,316
1932-33	3,435	1,846	51,129
1933-34	3,433	2,295	52,455
1934-35	3,602	2,446	54,346
1935 36	4,020	3,071	61,202
1936-37	4,440	3,500	67,322
1937-38	3,815		

Sugarcane grows in almost all the provinces of India United Provinces is the largest producer of sugarcane, her share of the total production amounting to about 54 per cent The second place is held by Bihar and Orissa, though the Punjab claims to be the second as regards the acreage sown The following table shows the total acreage and yield of sugarcane in the various provinces of India —

Provinces and States	Area (1,000 acres)			Yield (1,000 tons)			Yield per acre lbs		
	1938-39	1937-38	1936-37	1938-39	1937-38	1936-37	1938-39	1937-38	1936-37
United Provinces (*a*)	1,635	2,181	2,515	2,182	3,141	3,802	2,989	3,226	3,386
Punjab	352	512	554	225	363	465	1,432	1,588	1,880
Bihar and Orissa	375	376	490	369	416	544	2,204	2,332	2 401
Bengal	299	290	355	439	483	626	3,289	3,731	3,950
Madras	97	98	122	261	267	339	6,027	6,103	6,224
Bombay (*b*)	109	122	136	261	297	329	5,364	5,484	5,445
N W F Province	53	70	71	59	75	78	2,494	2,400	2,461
Assam	37	38	40	37	39	40	2,240	2,299	2,240
C P and Berar	31	33	30	48	50	51	3,468	3 394	3,570
Delhi	31	6	5	(c)	2	4	1,120	4,115	2,688
Mysore	45	49	52	57	69	75	2,837	3,154	3,231
Hyderabad	29	30	58	64	4	124	4,943	4,480	4,789
Baroda	2	3	3	7	6	4	6,253	2,987	2,987
Bhopal	5	7	6	5		6	2,240	1,920	2,240
Total	3,108	3,815	4,440	4,090	5,275	6,489	2,948	3,097	3,274

(*a*) Including Rampur State (*b*) Including Sind and Indian States (*c*) 500 tons

It will be seen from the above table that Madras, with 6,103 lbs per acre, leads in respect of yield per acre and Bombay with 5,284 lbs , comes second, but the United Provinces, whose production amounts to about 60 per cent of the total yield, with her yield per acre at 3,226 lbs is far behind many other Provinces

Out of the above total area, about 79 per cent was under improved varieties as compared with only 38 per cent in 1931-32 The credit of the increased planting of the improved varieties of cane goes to the Imperial Council of Agricultural Research, who has been doing good work in recent years for the propagation of improved varieties of cane among the cultivators In this connection, the research work carried on by the Imperial Sugarcane Station at Coimbatore on cane-breeding technique has been of

immense benefit to cultivators The Sugar Committee of the Imperial Council recommended, in July 1935, a grant of 2 annas per rupee out of the proceeds of the Excise duty on sugar for research, while the Tariff Board recommended a grant of Rs 10 lakhs per year for this purpose The total amount of grant, made or promised, to the Imperial Council, for expenditure on Sugar Research up till now, approximately amounts to Rs 35 lakhs This shows the great value placed on the importance of research work in sugarcane Indeed, skilful research work would be of great value to the prosperity of the industry, as well as of the agriculturists, as the percentage of recovery of sugar in factories in India is far below the average recovery in Java, which fact is evident from the following table —

AVERAGE PERCENTAGE OF RECOVERY OF SUGAR IN INDIAN AND JAVA FACTORIES

Year	U P	Bihar	Bombay	India	India Maximum	Java
1931-32	8 79	9 06		8 89	10	11 92
1932-33	8 55	8 60	10 00	8 66	10	11 16
1933-34	9 08	8 32	10 00	8 80	10	12 64
1934-35	8 56	8 79	10 37	8 66	11 10	12 35
1935-36	9 60	8 93	10 47	9 29	11 34	
1936-37						
1937-38	9 22	9 67	11 12	9 44		
1938 39	9 14	9 07	11 27	9 24		

Unlike the Java factories, which cultivate surgcane around their factories by using modern appliances, the factories in India are mostly dependent, for their supply of cane, on a large number of cultivators It is to be hoped that the united efforts of the Government of India and the authorities in the various provinces to fix a standard for sugarcane and the introduction of improved methods of cultivation in future would benefit the industry greatly

Apart from Government's help in the matter of improvement of sugarcane, another direction in which the cultivator can be benefitted, is by means of the efforts of authorities in the various provinces to fix a minimum price for sugarcane The United Provinces and Bihar have made rules under the Sugarcane Act of 1934 regulating the purchase of cane and fixing the basic price of cane at 5 annas a maund Though the Governments of these Provinces were confronted with many difficulties on their way, they are successfully combating them all, one by one In October 1935, the Government of Madras issued draft notifications declaring certain areas in the presidency as "controlled areas", and fixing the minimum price for the purchase of cane in those areas The Bengal Government are also considering the application of the provisions of the Sugarcane Act in Bengal The Mysore Government are also reported to have decided to fix minimum prices for cane in Mysore

After the advent of Provincial Autonomy, the Congress Ministries of Bihar and the United Provinces enacted comprehensive legislation for the control of sugar factories, ensuring a minimum price for sugarcane The main provisions of the Act were licensing sugar factories, the regulation of the supply of sugarcane to factories, the fixation of a minimum price for sugarcane, the establishment or a sugar Control Board and Advisory Committees and a tax on the sale of sugarcane intended for use in factories

Though the sugar industry in India has grown enormously in the past decade, it must not be, however, understood that the whole or even a large part of the cane grown in the country is consumed by the sugar factories As a matter of fact, the sugar factories in India crushed only about 16 per cent of the total production of cane in 1935-36, while about 70 per cent was absorbed for *Gur* manufacture

India holds the first place among the producers of cane sugar in the world Ten years ago, the first place in production belonged to Cuba which produced 161 per cent more than India, but to-day the position is heading to be the reverse While the total production of sugar in India in 1934-35 amounted to 31 million quintals, that of Cuba has amounted to only 22 million tons The following table gives the world production of cane sugar for 1934-35 with comparative figures —

WORLD PRODUCTION OF CANE SUGAR

(*In Quintals 000's omitted*)

Countries	1925-26	1934-35	1935 36	1936-37
India	18,100	31,300	36,000	40 900
Cuba	46,900	24,600	24,769	28,250
Formosa	4,999	9,657	9,016	9,865
Hawaii	6,680	8,397	9,360	9,090
Phillippines	5,510	7,235	10,298	12 000
Australia	5,263	6,118	6,175	7,425
Brazil	9 040	11,550	11,710	10,000
Java	19,416	5,097	5,924	13,000
Puerto Rico	5,140	6,630	7,950	8,080
South Africa	2,176	3,254	3,786	4,049
World	150,200	147,200	163,000	182,400

*Estimates

Europe, North America and Russia are all producers of beet sugar The total production of beet sugar in the world in 1936-37 was estimated at about 93,500,000 quintals (1 quintal-415 248 lbs) Of this, Europe produced about 60,400 quintals, Russia 20,000 and the United States of America 11,900 quintals In Europe, Germany is the chief producer her share exceeding 16,000 quintals in 1936-37

WHEAT

Wheat is one of the few agricultural commodities in which India has no large international importance India is one of the largest producers of the commodity in the world, but nearly the whole of her output is consumed within the country During recent years her exports had dwindled to practically nothing , in fact India even figured as a positive importer of wheat from Australia, which forced the Government of India to impose a duty on wheat imports But the result of last year's trading showed very encouraging signs of a revival in our wheat exports Our total export of wheat in 1936-37 amounted to 231,505 tons which was a record for several years The big increase in our exports has been mainly due to the great shortage of wheat supplies in the world, and the low parity of Indian wheat prices as compared with those of foreign growths Owing to the successive failures of the U S A , Argentine and Canadian crops for the last three years, the world's exportable stocks of wheat declined from 625 million bushels in 1932-33 to about 120 million bushels at the end of July 1937 The rapid decrease in supplies fortunately coincided with a sudden expansion in demand owing to the wars in Abyssinia and Spain, and also the warlike preparations of the European nations These factors created a boom in all commodity markets, and wheat being one of the staple commodities, prices registered a rapid rise The scarcity of supplies in other important centres in the world directed the attention of European buyers to Indian wheat, the quality of which was found to be equal to Argentine or Manitoba wheat The Indian exporter at Karachi was alert in seizing the opportunity and made enough amends for his past mistakes by taking particular care to despatch good quality wheat It is a matter for gratification that a good part of the export in Karachi has been captured by Indian export houses The developments during the past year promise a bright future for India's export trade in wheat, and it seems that very shortly India will have to be counted as a prominent exporter in the international wheat trade

The following table shows the output of wheat in the principal producing countries of the world —

PRODUCTION OF WHEAT

(In Quintals 000's omitted)

Countries	1925-29	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
British India	87,213	94,553	91,668	95,914	95,204	98,851	95,772
U S A	223,855	253,713	202,508	143,966	143,265	170,466	170,498
Canada	117,220	87,452	120,583	76,720	75,075	76,731	62,384
Argentine	66,142	59,792	65,560	77,870	65,500	38,380	67,450
Australia	37,015	51,877	58,222	48,264	36,305	38,809	40,709
U S S R	215,240	205,000	202,500	277,300	304,100	308,300	
France	79,295	71,882	90,771	98,611	92,129	77,552	68,979
Germany	32,595	42,333	50,031	56,043	45,327	46 672	44,269
Roumania	28,721	36,823	15,115	32,406	20,835	26,247	35 031
Europe (Excluding U S S R)	386,677	419,469	424,191	501,698	148,567	454,266	441,069
Asia (Excluding U S S R)	115,820	127,100	118,330	128,980	123,660	131,880	125,100
World (Excluding U S S R)	997,500	1,054,100	1,049,300	1,040,200	953,200	969,600	959,900

It will be seen from the above table that Canada and United States of America have considerably restricted their production in the world depression period The large accumulation of stocks in Canada was responsible for the unprecedentedly low level touched by wheat prices during the depression years The disposal of the large surplus of stocks was a problem , and for this purpose the Canadian Government created a Grain Marketing Board, which was entrusted with wide powers to regulate the

production and marketing of the surplus stocks Canada, the Argentine and Australia figure as the prominent exporters of wheat It is remarkable that Russia has enormously increased her production in the past few years

The production of wheat in India has been on the increase of late The total production of wheat in 1936-37 was estimated by the Government at 98 lakhs tons, as compared with 94 lakhs tons and 97 lakhs tons in the two preceding years The Punjab is the prominent producer among the various provinces, her share amounting to nearly 40 per cent of the total production The United Provinces are a good second, her share amounting to about 25 per cent The following table gives the area and the output of wheat in the various provinces —

	Area in thousand acres					Yield in thousand tons				
Provinces and States	1934-35	1935-36	1936 37	1937-38	1938-39	1934-35	1935-36	1936-37	1937-38	1938-39
Punjab (a)	10,483	10,711	10,853	11,471	11,020	3,498	3,496	3,860	4,220	3,677
United Provinces (a)	7,671	7 175	7,611	7,918	8,477	2,554	2,529	2,567	2,810	2,663
Central Provinces and Berar (a)	3,717	3,465	3,215	3,434	3,462	780	651	612	686	686
Bombay (b)	3,380	3,316	2,085	2,298	2,287	711	750	742	453	404
Bihar and Orissa	1,197	1,145	1,129	1,098	1,093	505	417	436	433	385
N W F Province	997	1,029	1,105	1,028	1,982	238	258	287	250	252
Bengal	155	127	149	161	174	51	33	46	45	44
Delhi	40	38	39	56	36	13	12	16	20	14
Ajmer Merwara	30	28	19	21	10	9	9	6	7	3
Central India	2,319	2,076	1,912	2,276	2,244	419	360	340	386	415
Gwalior	1,646	1,631	1,423	1,662	1,575	394	348	334	389	392
Rajputana	1,520	1,575	1,281	1,525	1,319	383	389	342	432	356
Hyderabad	1,259	1,247	1,308	1,355	1,250	156	140	200	200	172
Baroda	74	73	76	79	76	17	28	20	26	22
Mysore	2	2	2	2	2			3	2	1
Total	34,490	33,639	33,222	33,640	35,289	9,728	9,420	9,808	10,764	9,927

(*a*) Includes Indian States (*b*) Includes Sind and Indian States

TOBACCO

Before the sixteenth century the tobacco plant was practically unknown in India and the Portuguese are credited with having conveyed the plant in 1508 The use of tobacco spread within the space of a century, and by the year 1617 smoking became so general that the Emperor Jehangir, so the story goes, had to prohibit the practice But it must be admitted that a century and a half ago tobacco was an article of comparative unimportance, as smoking was forbidden by religion to the majority of people The advent of European civilization has, however, gradually reversed the position, and today smoking has become the fashion of the time and cigarette an indispensable item for society A large number of the Indian population also use tobacco for chewing and in the form of snuff

Two main species of tobacco are cultivated in India *viz* *Nicotiana tabacum* and *Nicotiana rustica*, of which the former is more common Next to the United States of America, India is the largest producer of tobacco in the world, the annual area under the crop exceeding 1 4 million acres The tobacco plant is grown in practically every district in India, but the important zones lie in Bengal, Madras, Bihar, Orissa, Bombay and Burma The *Bhengi*, *Naokhol* and *Hingli* varieties are commonly cultivated in Bengal, Bihar and Orissa and the Bilaite or Motihari variety of *N rustica* to a lesser extent Guntur is the most important tobacco-growing centre in Madras, while Sivapuri of South Arcot and Meenampalayam of Coimbatore are famous for their aroma and are mainly used for chewing

The Burmese tobacco is largely used for the manufacture of cheroots

The following table gives the area under tobacco in the various provinces of India —

(In thousand acres)

	Pre-war Average	1919-20	1933-34	1934-35	1935 36
Madras	205	228	248	292	280
Bombay*	92	107	144	185	168
Bengal	318	342	286	308	307
United Provinces	87	82	82	102	84
Punjab	59	54	48	88	78
Bihar and Orissa	113	120	140	133	140
Burma	90	126	103	106	104
C P and Berar	28	23	13	15	14
Assam	8	10	14	13	12
N W F P	8	8	6	14	17
Delhi	1	1	1	1	1
Hyderabad		116	71	74	72
Mysore	14	20	25	23	23
Baroda		24	44	59	55
Other States	34	35	41	48	2†
Total	1,057	1,296	1,266	1,461	1,357†

*Including Sind †Figures incomplete

Although the cultivation is extensive, the quality of Indian tobacco is generally said to be inferior to that of foreign growths , and this has prevented India from getting a proportional share in the international trade in the commodity Efforts have been made by the Imperial Institute of Agriculture, Pusa, to grow the high grade American varieties of Adcock and White Burley, but without much success so far So, the main problem of tobacco improvement at present is the production of a quality tobacco for the pipe and to meet the requirements of cigarette factories in India and so to replace the present large imports of Virginian leaf

Tobacco is a money crop to the cultivator and is generally harvested between January and April The cultivation of high grade varieties would prove very profitable as will be seen from the following estimates of the Pusa Institute for growing one acre of Adcock tobacco —

First grade leaf sold at As 9 per lbs 513 lbs	287 15
Second grade sold at As 6 per lb 349 lbs	130 14
862 lbs gross return	418 13
Less cost of cultivation Rs 80 , plus cost of flue-curing 862 lbs at As 2 per lb Rs 110	190 0
Net profit per acre	228 13

To this, a sum of Rs 20 realized from the sale of tobacco leaf stalks may be added as additional profit

The bulk of the tobacco grown in India is consumed locally There is, however, a good export trade in the commodity as will be seen from the following table —

(In thousand lbs)

	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
Unmanufactured —						
United Kingdom	10,626	13,299	11,702	13,298	21,128	37,550
Aden and Dependencies	4,427	5,398	7,315	8,336	7,182	3,438
Straits Settlements	1,555	1,167	1,072	1,113		
F M S	736	512	677	766	792	886
Netherlands	945	3,512	1,231	1,121	1,348	392
Japan	3,699	3,313	5,623	3,000	2,317	1,055
Other Countries	3,439	2,005	1,123	892	9,698	5,930
Total	25,427	29,206	28,743	28,526	42,460	60,148
Manufactured —						
Cigars	118	64	73	60	38	34
Cigarettes	313	258	329	372	2,477	1,750
Other sorts			454	347	7,108	3,215

The low quality of Indian tobacco has necessitated imports of high grade tobacco from U S A and other foreign countries In 1938-39, for instance, imports of un-

manufactured tobacco into India amounted to about Rs 58 lakhs, while those of cigars, cigarettes and other manufactured tobacco amounted to about Rs 42 lakhs Since 1930-31, there has been a big fall in imports of manufactured tobacco This was due to various factors such as the boycott of foreign goods, the development of an Indian tobacco industry and the establishment of cigarette manufacturing factories within the country by foreign manufacturers The following table gives the imports of tobacco into India —

(In thousand lbs)

	1931-32	1933-34	1935-36	1936-37	1937-38	1938-39
Unmanufactured	2,845	4,187	1,921	3,283	6,598	6,371
Manufactured —						
Cigars	21	17	13	14	191	206
Cigarettes	1,436	593	831	919	993	1,218
Tobacco for pipes and cigarettes	129	50	51	58	51	59
Other sorts	46	47	43	33	57	34
Total	4,477	4,894	2,859	4,307	7,889	7,888

Imports of foreign tobacco into India are liable to the following duties —Tobacco, manufactured, not otherwise specified Rs 3-12 per lb , Cigars 112½ per cent *ad valorem* , Cigarettes, 25 per cent *ad valorem* and addition either Rs 8-12 per thousand or Rs 3-4 per lb , whichever is higher , Tobacco, unmanufactured Rs 3-4 per lb , preferential rate Rs 2-12 per lb Tobacco leaf for the manufacture of cigars, when proved to have been imported for use in a cigar factory, is liable to duty at Rs 2 per lb (standard) and Rs 1-8 per lb (preferential) The decision to levy the tobacco tax by the Madras Government will, it is feared, have a detrimental effect on the trade

COFFEE

The growing of the coffee plant is entirely confined to Southern India the important zones of cultivation being the States of Mysore, Travancore and Cochin, Coorg and certain tracts in the Madras Presidency The Coffee industry provides employment to more than 100,000 persons on the average In 1935-36 the number of plantations amounted to 6,823, covering a total area of 335,115 acres Of these, 3,122 were smaller plantations between five to ten acres, covering a total area of 20,909 acres Mysore alone accounted for 55 per cent of the total acreage, Madras 23 per cent , Coorg 21 per cent and Cochin and Travancore together 1 per cent But the area actually under coffee in the above reporting plantations in 1935-36 was 188,035 acres as compared with 185,581 acres in the preceding year The total reported production of cured coffee in 1935-36 amounted to about 41 million lbs , as compared with 32 8 million lbs in the preceding year The yield per acre of plucked area varies widely in the various parts from year to year It was 333 lbs (126 lbs) in Cochin, 318 lbs (201 lbs) in Madras, 278 lbs (241 lbs) in Coorg, 251 lbs (167 lbs) in Travancore and 192 lbs (187 lbs) in Mysore in 1935-36, the figures in parenthesis being the preceding year's

Coffee is generally sown and transplanted in the rainy season and the harvesting is done between October and January During the past decade and a half the acreage and production of coffee in India have increased by nearly 48 per cent and 90 per cent respectively Whereas the average acreage and production for the quinquennium ended 1923-24 was 126,802 acres and 21,774,290 lbs respectively, the acreage in 1935-36 was 188,035 acres and the production 41,162,079 lbs The following table gives the area and production of coffee in 1935-36 —

	Area in Acres	Production of Cured Coffee in Pounds
Mysore	103,003	16,987,374
Madras	43,276	12,867,257
Coorg	38,721	10,476,802
Cochin	2,006	639,432
Travancore	1,029	191,214
Total	188,035	41,162,079

India occupies only an insignificant place among the world coffee-producing countries Brazil, in this respect, is acknowledged to be by far the largest producer of coffee in the world In recent years, the disposal of her increasing production of coffee has been a great problem to Brazil and a big percentage of her total production has been destroyed every year in order to keep up the prices A recent Press message states that the growers have decided to destroy thirty per cent

of the 1937-38 crop in order to keep up the price to six pence a pound in the United States Millions of bags of coffee have been burnt and dumped into the ocean or made into bricks Even an offer of the German Government to purchase all the surplus coffee is said to have been rejected The following table gives the world production of coffee for the past four years —

(In thousand quintals)

	1935-36	1936-37	1937,38	1938-39
Brazil	11,359	15,770	15,479	14,000
Colombia	2,518	2 616	2,676	2,550
Africa	1 260	1,290	1,260	1,480
Caribbeau	3,120	3,300	2,880	2,780
Venezuela	636	716	600	300
Neth Indies	1,109	1,249	1,320	1,040
India	1,87	154	170	
WORLD*	20,700	25,800	24,800	22,700

* Estimate

The fall in the price of coffee during the depression period owing to the enormous production has victimised the Indian planter too It was all the more severe in the case of India, for, almost the entire production has to find a market outside India as the internal consumption in the country is inelastic and confined to the South Indian population only The plight of the planters, therefore, naturally drove them to seek Government help and the result was the passing of the Indian Coffee Cess Act, 1935 The Act provided for the creation of a fund to be expended by a Committee specially constituted for the promotion of the cultivation, manufacture and sale of Indian Coffee The Act extends to the whole of British India except Burma and provides for the levy of a custom duty on all coffee produced in India and exported therefrom to any place beyond the limits of British India or to Burma at the rate of one rupee per cwt , or such lower rate as the Governor-General in Council may, on the recommendation of the Coffee Cess Committee lay down The rate of cess now leviable is 8 annas per cwt

As an article of export, the position of coffee is by no means insignificant, inasmuch as our annual exports of coffee amounts to wellnigh a crore of rupees Nearly half of the total production is exported to foreign countries, of which France stands out as our biggest customer The following table gives the quantity of coffee exported from India for the last four years —

Exported to	1935-36	1936-37	1937-38	1938-39
United Kingdom	73,071	34,996	28,540	69,725
Norway	19,721	33,962	27,526	22,501
France	82,805	86,745	42,306	37,928
Germany	10,059	7,196	2,265	1,132
Netherlands	1,456	5,689	1,056	5,066
Belgium	12,677	19,997	6,787	9,924
Italy	6,539	3,089	819	5,73
Iraq	1,456	7,511	8,954	7,230
Australia	5,862	6,060	3,708	5,859
Other Countries	5,306	5,387	13,181	24,862
Total	215,951	210,621	135,142	184,800

RUBBER

Unlike other agricultural commodities, Rubber can claim only a short history Half a century ago rubber was unknown to the European countries In the decade prior to the Great War, rubber was a semi-precious commodity which was quoting even as high as 12s 9d per pound and was never below 2s per lb The plantation industry was just then born and the output of plantation rubber in 1904 was not more than 50 tons Today, it occupies a pre-eminent position as a commodity of international importance used in a wide range of industries all over the world The annual production and consumption of rubber at present exceeds a million lbs But even in the short period of its history rubber has had a romantic career Booms and slumps in rubber, alternating frequently have made and unmade many a fortune , and the panic created in the world by the last unprecedented crash towards the end of 1931, when sellers in Mincing Lane were praying for the appearance of a buyer at below 2d per lb is still fresh in our memory

The principal countries cultivating rubber, in the order of their importance, are British Malaya, the Netherlands East Indies, Ceylon, Siam, Sarawak, Indo-China, North Borneo South America, India, Burma, Africa, the Philippines, and Oceania Of these, Malaya and the Netherlands East Indies alone together produce about 85 per cent of the world's annual output Ceylon occupies the place of a poor third

The production of rubber since 1934 is regulated in most of the above countries by the International Rubber Regulation Committee, by fixing up quotas of the exportable quantity for each country The quota for 1937 was raised from 75 per cent in January to 90 per cent of the standard production in July

The general recession or business condi-

tions throughout the world, particularly in America, starting from the first gold scare in April 1937 caused a steep decline in commodity prices, and in common with others, the rubber market experienced a debacle In the course of one year, the price of rubber in London declined from 1s 2d to below 6d per lb in the London market It must be noted that this decline has been in spite of the drastic reductions in the quota by the International Rubber Regulation Committee from 90 per cent to 45 per cent in the third quarter of 1938

Another important event in 1938 has been the renewal for another five years of the International Rubber production regulation scheme, which was due to expire on December 31, 1938 According to the new agreement, an increase in the standard quota was effected in the case of all countries The basic quotas proposed for the respective countries (in tons) as compared with the figures for the current year are as follows —

	1938	1939	1940	1941	1942	1943
Malay	602,000	632,000	642,500	648,000	651,000	651,500
N E I	540,000	631,000	540,000	645,500	650,000	651,000
Ceylon	82,500	98,000	99,500	101,000	101,500	102,000
India	13,000	17,500	17,750	17,750	17,750	17,750
Burma	9,250	12,000	12,250	12,250	12,250	12,250
N Broneo	16,500	19,000	19,250	19,250	19,250	19,750
Sarawak	32,000	39,000	39,500	40,000	40,000	40,000

It will be found from the above that India and Burma are only minor producers of rubber compared with other countries Rubber planting in India is confined to the Southern India only, and with the floatation of a number of rubber companies last year, a persistent agitation was carried on to increase the standard allotment to India The International Committee has to a certain extent remedied the unfair treatment that had been meted out to India during the currency of the first Rubber Agreement The increase of 4,500 tons in the quota works out at 34 62 per cent over this year's figure

The total area under rubber in 1935 amounted to 228,800 acres, while the production was estimated at about 48 million lbs The average yield per acre varies every year according to the conditions of the trees For instance, the yield per acre in 1935 was as high as 213 lbs , while in 1932 and 1933 it was only 36 lbs and 58 lbs respectively

The following table gives the acreage and yield of rubber in India and Burma in 1935 —

	Area in Acres	Yeild of Dry Rubber in lbs
Burma	106,200	20,991,300
Coorg	3,330	273,800
Mysore	600	
Madras	12,400	2,113,700
Cochin	9,500	2,228,600
Travancore	96,800	22,937,600
Total	228,800	48,545,000

India's production of rubber, however meagre it may be compared with the output of other countries does not call for any large increase, considering the state of the international rubber market But with the development of Indian economy, there is no doubt that India's consumption of rubber would and should show a steep increase

LINSEED

Linseed first gained the attention of the lay public when it came in for frequent reference in the discussions on the value or otherwise of the Ottawa Pact But as an item in India's export trade, its importance was never negligible Though its production was originally undertaken in India solely for the foreign market, a considerable internal consumption has developed during these years This together with a value of between one to five crores in our export has increased the importance of linseed And latterly, the preference granted to Indian linseed in the British market and the increase in India's export during 1933-34 have given for it an important place in the discussion on the Ottawa Pact In regard to linseed, India does not, as in the case of rice or cotton, enjoy an important position as a producer But she is a factor to reckon with in the export markets, inasmuch as the United

States, which is one of the principal producers of linseed, does not figure as an exporter and utilises almost her entire production in internal consumption Thus, Argentina and India are left in a straight fight in the export markets and their fortunes have undergone some vicissitudes

It will be useful first to know the relative importance of the chief producers of linseed and the following table furnishes the necessary figures —

(In Quintals 000's omitted)

	1935-36	1936-37	1937-38	1938-39
British India	4,267	3,902	4,267	4,643
Argentina	14,250	18,500	15,394	14,100
U S S R	7,400			
U S A	3,680	1 500	1,801	2,076
Asia	4,580	4,321	14,430	4,800
Canada	432	460	207	373
S America	15,030	19,764	16,350	15,225
World	33,500	*28,700	25,530*	24,900*

* Excluding U S S R

It will be seen that Argentina produces more than half the total world output of linseed and the importance of India in the export markets is derived from the fact that Indian linseed is superior in its oil-content, and it must be added that the higher price resulting from this quality sometimes acts as an obstacle to an increase in the demand

The distribution of areage under linseed in India may be seen from the following table which gives the figures for the last four seasons —

(Area in thousand acres)

	1935-36	1936-37	1937-38	1938-39
C P & Berar	1,261	1,312	1,373	1 453
United Provinces	845	908	948	924
Bihar and Orissa	549	559	595	576
Bombay (a)	119	129	113	119
Bengal	98	131	137	156
Punjab	28	31	-0	31
Hyderabad	416	468	471	463
Kotah (Rajputana)	94	94	107	101
Bhopal	47	45	65	63
Total	3,457	3,677	3,839	3,894

(a) including Indian States

The table shows at a glance that the Central Provinces and Berar occupy the preeminent position among the provinces of India as a producer of linseed and excepting United Provinces, Bihar and other provinces are responsible only for very inconsiderable quantities Though the United provinces occupies the second place as far as the extent of sowings are concerned it leads in respect of the total yield

From the point of view of outturn per acre, Bengal holds the first place, her yield per acre amounting to 441 lbs in 1937-38 The outturn per acre in the United Provinces and Bihar compare favourably with Bengal at 371 lbs and 332 lbs respectively, while that of Central Provinces, which has the largest area was only 181 lbs per acre The following table gives the yield per acre in the various provinces and also the total yield for the past two seasons —

Provinces and States	Yield (1,000 tons) 1938 39	1937 38	Yield per acre (lbs) 1938-39	1937-38
Central Provinces and Berar (a)	117	111	180	180
United Provinces	148	157	359	370
Bihar and Orissa	79	87	307	332
Bombay (a)	12	10	226	209
Bengal	20	27	416	441
Punjab	3	3	217	217
Hyderabad	40	41	194	195
Kotah (Rajputana)	8	13	177	272
Bhopal	8	7	284	241
Total	445	457	256	265

(a) Including Indian States

Linseed may be said to furnish one of the numerous examples of India's incapacity to take full advantage of an expanding world market In the pre-war period the total world export trade in linseed amounted to 1 4 million tons, of which Argentina exported 676,000 and only 367,000 tons fell to the share of India Since then, the world exports of linseed have increased by 50 per cent but Argentina captured the entire increase, and in 1931 India had only 5 per cent , of the total trade , which still further decreased in the following year, against 85 per cent of Argentina But latterly, during the last four years, India's share has increased The apparent decrease in Argentina's share, it must be said, is due largely to the failure of the linseed crop in that country for three seasons successively from 1932-33 And, one cannot, therefore be certain that India has acquired an increase in competitive capacity Though India's export of linseed last year amounted to more than 296,000 tons, it is believed to be only due to the unusually large demand and the low world stocks The distribution of India's exports of linseed among her principal foreign customers may be seen from the following table —

EXPORT OF LINSEED

Name of Countries	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
U Kingdom	14,270	176,425	103,784	90,144	217,[illegible]66	174,598	254,239
Germany	9,480	10,316	5,421	8,410	13,904	7,429	9,894
France	21,611	42,603	13,714	7,580	7,566	6,293	8,790
Italy	10,578	21,690	10,118	6 696	750	1,223	865
Australia	9,415	11 958	21,442	9,730	18,282	22,144	21,037
Other countries	6,796	114,836	83,886	41,183	37,866	29,427	23,139
Total	120 583	72,190	378,868	238,365	164,743	226,533	317,944

Linseed suffered from the trade depression equally with other export commodities The total value of India's exports of linseed came down from Rs 572 lakhs in 1929-30 to Rs 91 lakhs in 1932-33 But in the year 1933-34, India's exports rose to Rs 458 lakhs As will be seen from the above table, by far the largest increase has been in the case of Great Britain It will be remembered that under the Ottawa Pact, Britain accorded a preference of 10 per cent to Indian linseed And those who plead for the continuance of the Ottawa Pact or at least seek to establish its benefits to India in the past content that but for this fact the advantage of such a marked increase in the value of our linseed exports would not have otherwise accrued to India But it is significant in this context that not only Great Britain but nearly all her foreign customers increased their off-take of Indian linseed, and that, in the face of this alround increase, it would be unscientific to set it down to the credit of Ottawa The increase in India's exports of linseed must, therefore, be set down more to the failure of the Argentine crop and the great shortage of supplies in the world than to the effect of the 10 per cent preference in the British market

It is gratifying to note that with the increase in the production of linseed there has been a gradual expansion in the internal consumption of the commodity This is borne out by the fact that India has gradually increased her export of linseed cake and linseed oil during the past few years The following table gives the value of India's export of linseed cakes during the past three years —

EXPORTS OF LINSEED CAKES

Volume in Tons

Name of countries	1936-37	1937-38	1938-39
U Kingdom	47,092	43,939	28,181
Netherland	1,699	596	
Belgium	543		
Egypt		2,035	1,499
Other countries	860	443	1,756
Total	50,194	47,003	31,436

Value in Thousand Rs

Name of countries	1936-37	1937-38	1938-39
U Kingdom	3,228	3,021	1,976
Netherlands	124	36	
Belgium	40	34	
Egypt			124
Other countries	60	151	116
Total	3,451	3,241	2,217

The following table gives the quantity and value of Linseed oil exported from India during the last three years

(000's omitted)

	1936-37		1937-38		1938-39	
	Gals	Rs	Gals	Rs	Gals	Rs
Ceylon	17	26	15	25	15	25
Burma			105	191	105	191
Straits Settlements	39	63	43	76	42	76
Other Countries	79	138	104	144	104	145
Total	135	228	266	435	266	436

The outstanding event of 1938 has been the publication of the Report of the marketing survey conducted by the Agricultural Marketing Adviser to the Government of India Out of the Annual value of the crop, Rs 5 crores, the cultivator gets only 10 annas in the rupee, according to the report The disadvantages that the cultivator suffers from are all due, in the end, to the disorganised state of marketing conditions, which is discussed in detail in the Report Among the more important blemishes in the trade, the objectionable practices such as the deliberate addition of dirt are said to have hampered the export trade The crude classification of the seed and the absence of a standard contract for the whole of India are, likewise, great handicaps to the trade Arbitrary standard of contracts have retarded the growth of sound commercial practices Damage by water due to defective storage is estimated to account for an annual loss of Rs 5 lakhs Sowings of mixed crop, adulteration of oil, the lack of standardisation of weights and measures and the numerous market charges, as reported in the Survey, are general complaints in the case of all commodities in India Among the remedies suggested are better storage facilities,

economy in the machinery of distribution, the control of harvest time depression, standardisation of quality, establishment of regulated markets and provincial legislation defining market areas, licensing operators and registration of charges A rather striking suggestion contained in the report is the need for encouraging the *Ghani*, the village oil mill Compilation of regular statistics for the trade is also urged There can be no doubt that there is ample scope for improving the return to the growers and to the country at large by expanding and rationalising the export trade , but this is true of almost all commodities in this country What is required is a clear-cut national agricultural policy initiated by the Central Government , and half-hearted measures or piece-meal reforms could produce but poor results

GROUNDNUT

Although India occupies the first place among the producers of groundnuts in the world, the cultivation of the crop on a commercial scale began only about three decades ago The appearance of the Indian groundnut in Europe dates from about 1840, but then it failed to receive any great attention from European consumers Till the beginning of the present century India's export of groundnuts was insignificant, amounting to about 1,500 tons per year on an average or a little more than 1 per cent of the aggregate imports into France In 1895-96 the area under the crop in Madras and Bombay was 243,000 and 164,000 acres respectively The demand for Indian groundnuts in Europe was very small until the successful cultivation of the disease-resisting seeds with higher oil contents introduced from Sengeal and Mozambique, in the first decade of this century , and this marked a new era for Indian groundnuts The cultivation and export of Indian nuts increased at a rapid pace since then and in 1913-14, the total acreage exceeded 2,000,000 and the exports amounted to about 277,900 tons

There are two main types of groundnuts, viz the spreading type known commercially as the Coromandel, Mauritius or the Mosambique and the bunch or erect type known as Peantut or Khandesh Nearly 86% of the total area under groundnuts in the Madras Presidency is usually Coromandel nuts and this forms the bulk (94 per cent) of the exports

In 1937, the Director of Agriculture, Madras, carried out a marketing survey of groundnuts, in which many suggestion for improvement were made The marketing season for the main or winter crop commences generally from the end of October In Southern and Central Districts the crop comes to market by December-January and nearly 75 per cent of the produce passes to wholesalers by the end of April-May The marketing season in Pollachi commences earlier in August

The channels of marketing are more or less the same as in the case of other commodities in India The wholesale merchants have a number of small dealers or village merchants for purchase of groundnuts from the ryot on a commission basis, which is usually 9 pies to 1 anna per bag of 80 to 90 lbs Some village merchants buy and sell on their own account, as also a few landlords Generally, ryots sell the produce in unshelled form either *Kacha* or *pucca*

The wholesale merchants own decorticating factories of which there are about 550 in the Madras Presidency Shelling is done mostly by the decorticators driven by steam, oil or electric motor Handshelling is common only in parts of South and North Arcots and Ramnad Machined groundnuts usually fetches a premium of 3 to 6 pies per candy (531 lbs) over hand shelled The wholesale merchants sell the kernels to exporting firms, who have sub-agents at almost all important producing centres The sales are on written contracts on the basis of standard quality

It is curious that as in the case of other commodities, there is no "futures" market in Madras, though it is the biggest producing province Damping the seed, improper storage and mixing of clay or dusts are the main malpractices in the trade which hampers the reputation of Indian groundnuts in the export markets Regulated markets, standardisation of quality and weights, licensing middlemen and encouraging co-operative Associations of growers are some of the suggestions put forth in the Survey for the improvement of the trade

To-day India accounts for about half of the total world production In 1938-39 the total production in India amounted to about 30,850 quintals, out of the world production of 62,000 quintals From the following table, giving the world production of groundnuts, it will be seen that, though it is an

important commercial crop, it is not cultivated on a commercial scale outside India, except to some extent in French West Africa

(In thousand quintals of unshelled nuts)

Countries	1933-34	1934-35	1935-36	1936-37	1937-38
India	33,834	19,142	22,942	20,039	35,572
United States	4,389	5 094	5,900	6,065	5,990
French West Africa	7,700	7 000	8,000	8,875	7,560
Nigeria*	2,970	3,555	2,671	3,170	4,731
China*	2,799	2,977	4,285		
Java & Madura	2,299	2,136	2,053	2,382	2,584
World	61,300	47 400	53,900	60,300	70,000

*Estimates

More than half of the total production of groundnuts in India is confined to the Southern Presidency In 1937-38, according to the final forecast of the Government, out of the total acreage of 8,652,000, Madras Presidency alone has sown about 8,652,000 acres, while the area in Bombay amounted to about 2 236,000 acres The following table shows the acreage, total yield and yield per acre of groundnuts in the various provinces of India the figures for 1937-38 excluding Burma —

Provinces and States	Area in 1,000 Acres			Yield in 1,000 tons (of nuts in shell)			Yield per Acre (lbs)		
	1936-37	1937-38	1938-39	1936-37	1937 38	1938-39	1936-37	1937-38	1938-39
Madras	3,495	4,565	3,835	1,657	2,059	1,448	1,062	933	846
Bombay*	1,867	2,236	2,639	659	871	924	791	810	7[illegible]4
Burma	729		275	142	58	74	436		603
C P & Berar	149	215	19	46		7	692	573	825
Hyderabad	934	1,433	1,520	316	476	537	742	741	791
Mysore	137	198	212	36	37	41	407	419	433
Total	6,663	8,632	8,500	2,714	3,279	3,279	915	849	791

*Including Indian States

The greater portion of our production is consumed in India and only a fourth of the crop is exported from British India France is the most important customer for Indian groundnuts The Netherlands, Germany, Italy and the United Kingdom are other important customers The French port, Pondicherry, is also exporting large quantities of groundnuts from India and if these were included in the statistics, our exports to France would make a better showing The following table gives the total exports of groundnuts from British India for the official year, 1938-39, together with previous comparisons --

Countries	(*Quantity in 1,000 Tons*)					(*Value in lakhs of Rupees*)				
	1934-35	1935-36	1936-37	1937-38	1938-39	1934-35	1935-36	1936-37	1937-38	1938-39
U K	134	62	135	91	88	170	100	221	133	108
France	99	141	173	85	147	117	229	287	126	175
Netherlands	115	95	175	71	153	127	154	290	110	184
Germany	65	71	110	115	93	73	112	181	163	108
Italy	54	18	76	119	33	59	30	131	169	40
Belgium	14	9	39	43	57	15	14	65	60	62
Other Countries	29	16	31	93	261	32	25	54	132	[illegible]16
Total ..	511	413	739	617	835	5,93	6,65	12,29	8,93	993

In pre-war years and the years following the termination of the Great War, the predominance of France in the groundnut trade was very marked , but in recent years conditions have changed, other countries like Netherlands, Germany and Italy taking a fair share in our exports During the War the trade suffered a severe set-back owing to the dislocation of the labour market in Marseilles and the closing down of several French mills and in 1918-19 our exports totalled only 17,000 tons A rapid improvement followed in the post-war period, until the peak was reached in 1929-30, when our

The trade in groundnut cake has also developed alongside the growth of cultivation of the crop and the bulk of the cake exported is absorbed by the United Kingdom total exports amounted to about 714,000 tons The last world trade depression caused a severe contraction in our exports and in 1935-36 the lowest level was touched, our exports totalling to about 413,000 tons A sharp increase in our exports resulted last year, groundnuts also shared the boom in the commodity markets The increase in our exports last year was very marked both in volume and value But, though the volume has exceeded the 1929-30 level at 739,000 tons, the total value was about Rs 4 crores behind In India, the greater part of the cake output is used as fodder and manure The following table gives the quantity and value of our exports of groundnut cakes —

Countries	*(Quantity in 1,000 tons)* 1934-35	1935-36	1936-37	1937-38	1938-39	*(Value in Lakhs of Rupees)* 1934-35	1935-36	1936-37	1937-38	1938-39
U K	171	148	154	131	172	90	87	109	96	114
Germany	32	15	36	59	78	20	9	26	40	52
Netherlands	11	6	15	14	23	7	4	9	9	13
Belgium	21	16	19	16	23	14	11	12	11	15
Ceylon	9	6	8	8	6	6	4	4	7	3
Other Countries	16	3	6	14	43	7	2	4	12	44
Total	226	194	238	2,52	365	1,44	1,16	1,64	175	241

SESAMUM

Sesamum is one of the most important oilseeds grown in India and it ranks next to groundnuts in respect of acreage sown While being an article of large consumption within the country, it occupies an important place in our export trade in oilseeds

It is mainly a *kharif* (autumn) crop generally sown between May and July and harvested from October to December A *rabi* or summer variety is also grown in certain tracts This is sown in January and February and harvested between May and July The crop is raised in almost all provinces in India, but the more important zones lie in Burma, Madras, Bombay and Central Provinces There are five well-known varieties grown, *viz* White, Black, Mixed, Yellow and Red The White quality is superior to all others as it contains the highest percentage of oil

The acreage under sesamum does not show any appreciable change from year to year The peak year in recent years was in 1932-33 when the total area under the crop was estimated at 6,256,000 acres, yielding 551,000 tons The average for the quinquennium, 1895-96 to 1899-1900, was 4,019,000 acres and 348,000 tons, which rose to 5,122,000 acres and 467,000 tons in the post-war quinquennium, 1920-21 to 1924-25 The following table gives the total acreage and outturn of the crop in the various provinces during the 1936-37 season —

Provinces and States	(000's omitted) Area (acres)	Yield (tons)
United Provinces	1,323	115
Madras	546	66
Bombay*	544	76
C P & Berar	488	40
Bengal	210	46
Bihar	114	17
Punjab	95	8
Orissa	112	13
Sind*	38	2
Ajmer-Merwara	30	1
Hyderabad	548	41
Bhopal	81	7
Baroda	53	2
Kotah	35	4
Total	4,217	438

* Including Indian States

The export trade in sesamum has been gradually dwindling since the War During the pre-war period more than 25 per cent of the total production of sesamum in India was shipped to foreign countries, but the percentage has fallen to an insignificant level in 1930-31 Since then, although there has been a recovery, the former level would, perhaps, never be reached, for sesamum has been displaced in the world markets by other vegetable oils such as groundnut and coconut The most significant feature in our export trade during the past several years is the loss of our foreign markets While in the pre-war period France, Belgium, Austria and Italy have been our important customers our trade with these countries has now been entirely lost The distribution of our ex-

ports of sesamum is shown in the following table —

(In hundreds of tons)

	Averages Pre-War	War	Post-War	1936-37	1937-38
France	43 1	15 7	7 6		
Italy	13 0	4 1	8 7	4	3
Belgium	26 2	1 1	2 1		
Austria	20 2	8	8		
Ceylon				1 7	2 0
Arabia				6	0 5
Other countries	16 8	10 9	8 4	11 9	7 3
Total	119 3	32 6	27 6	14 2	10 1*

* Include 4 6 to Burma

Our foreign customers in sesamum have been constantly changing Towards the close of the last century France was the principal buyer, but during the pre-war period Belgium and Austria-Hungary shared more or less equally with France Italy and U S A emerged as the chief buyers in the immediate post-war years and to-day we have not a single foreign customer, so to speak

It is, however, satisfactory to note that, although our exports of sesamum seeds have declined since the war, there has been a progressive improvement in our export of sesamum oil as will be seen from the following table —

Exports of Sesamum (*til* or *jinjili*) oil
(In gallons)

1926-27	61,971
1927-28	98,596
1929-30	160,583
1931-32	95,642
1933-34	104,101
1935-36	150,025
1936-37	281,449
1937-38	’51,827

COTTON SEED

By virtue of her position as the second largest producer of raw cotton, India has a large annual production of cottonseed But the bulk of the commodity is consumed within the country as an important cattle food and only a small percentage is exported to foreign countries

Indian cotton seed is inferior in quality to most foreign growths Whereas the Egyptian and Russian cottonseeds contain 23 per cent and 20 per cent of oil, the percentage of oil content in the Indian variety is only about 18½ per cent There are five important varities of Indian cottonseed *viz* Bombay, American, Delhi-Cawnpore, Comilla and Rangoon Of these only the first two are considered to be of superior quality Bombay is the main port of cotton seed export Russia and Egypt are the chief competitors of India in the United Kingdom market

Till the beginning of the present century there was practically no export trade in this commodity In 1900, the scarcity of other vegetable oils led to inquiry from United Kingdom for Indian cotton seed and since then the export of the seed increased gradually every year, until it reached about 153,000 tons The depression years saw a precipitous fall in our exports of cotton seed, which fell out of all proportion to 2,389 tons in 1932-33 Since then, our export trade has not recovered Our export of cotton-seed in 1936-37 amounted to about 9,000 tons, against 730 tons and 636 tons in the two preceding years respectively and the pre-war average of 240,000 tons

The following table gives the world production of cotton seed —

(In thousand quintals)

	1931 32	1932-33	1934-35	1935-36
U S A	68,690	52,450	38,850	49,950
India	16,900	19 700	20,500	26 700
China	9,000	11,400	15 800	19 800
Africa	8 260	7,210	10,390	12,770
S America	4,790	4 110	10 060	11,900
U S S R	8,500	8,400	7,700	15,500
World	119,300	105,400	107 000	142 200

It will be seen from the above table that the production in the United States of America considerably declined in 1934-35, which was due to the restricted production of cotton in America It is significant that while the production in America has declined other countries have been gradually increasing their production

CASTOR SEED

In the cultivation of castorseed India occupies a unique position in the world She is responsible for about 80 per cent of the world's annual production of castorseed and it is mainly grown as an export crop The medical importance of the seed is greatly appreciated in all countries

The sowing season extends from May to July and the crop is harvested in January and February A late variety is also grown

INSURANCE IN INDIA

The origin of insurance is lost in antiquity It is known that as far back as two thousand years before Christ, people travelling in caravans had some arrangement for sharing losses that might be caused by robbery on the journey The joint family system prevailing in India from times immemorial, may be also said to contain some principles of insurance in that the widow, invalid, orphan and the unfortunate members of the family are provided for by the rest of the members

It is in evidence that the earliest policy of life assurance in its modern form was one effected in the year of 1583 for a term of one year in London For more than a century thereafter nothing is heard of life assurance until the "Amicable Insurance Society," the oldest known Insurance Company, was formed in 1706, and it is only during the beginning of the 19th century that most of the British gigantic Insurance Companies were established, though there have been in existence numerous small British Insurance Companies floated in the 18th century most of which were later amalgamated with the bigger companies of more recent origin

In India, the pioneers in the field of insurance, as in other modern economic fields, were the British Agency houses of Calcutta and Madras Along with their export, import and other trading activities, they conducted insurance business as well during the eighteen and the first half of the nineteenth century The Madras Presidency, which has been labelled the benighted province of India, however, had the honour to possess the first organised modern institution in insurance and in banking The Modern Equitable was started by a famous Madras Agency House After successfully carrying on business for nearly a century, the Company went into liquidation in 1920 for a variety of reasons The Bombay Mutual, established in 1871, the Oriental of Bombay started in 1874 are the oldest mutual and proprietory companies respectively now in existence

The total number of insurance companies working in this country according to the latest Indian Insurance Year Book is 368 Out of it 219 companies are constituted in India 67 companies are established in Bombay, 49 in Bengal, 40 in Madras, 25 in the Punjab, 2 in Sind, 10 in Delhi, 10 in the U P, 4 in Bihar, 5 in C P, 2 in Ajmer-Merwara and 2 each in Burma, Assam and one in N W F Province Of the 149 non-Indian companies, 72 are constituted in the U K, 30 in the British Dominions and colonies, 17 in the Continent of Europe, 16 in the U S A, 9 in Japan and 5 in Java While most of the Indian companies carry on life business, the majority of the non-Indian companies conduct non-life insurance business

While the development of insurance in India is nothing phenomenal, it cannot be denied that its progress has been fairly steady, especially during recent years The total business transacted by the Indian companies has risen from Rs 31 crores in 1920 to Rs 184 crores in 1937 In other words there has been a rise of 6 times in the course of 17 years The following are the figures relating to the new business transacted and the total business remaining in force between 1920 and 1937

Year	New Business Written during the year	Total Business Remaining in force at the end of the year
	(in crores of rupees)	
1920	5 47	31
1921	5 47	34
1922	5 64	37
1923	5 85	39
1924	6 89	42
1925	8 15	47
1926	10 35	53
1927	12 77	60
1928	15 41	71
1929	17 29	82
1930	16 50	89

Year	New Business Written during the year	Total Business Remaining in force at the end of the year
1931	17 76	98
1932	19 66	106
1933	24 83	119
1934	28 92	137
1935	32 81	152
1936	37 80	175
1937	41 74	197

The total business in force of both Indian as well as non-Indian companies has risen, as the following table illustrates from Rs 154 crores in 1930 to Rs 277 crores in 1937

(In crores of Rupees)

	1930	1931	1932	1933	1934	1935	1936	1937
Total Business in force	154	168	178	183	215	235	261	277
Share of Indian companies	69	70	76	79	132	146	168	184
Share of non Indian companies	85	98	102	114	83	89	93	93

The number of policies in force in India has risen from 564,000 in 1928 to 1,371,000 in 1937 Of this the share of the Indian Companies in 1928 was 412,000 and in 1937, 1,099,000 The premium income of all the life offices amounted in 1937 to Rs 14 2 crores, the share of the Indian companies being Rs 9 crores The figures cited clearly illustrate the fact that the Indian companies are progressing more rapidly than the non-Indian concerns These figures do not include the business transacted by the Post Office Insurance Fund, which was opened in 1893 by the Government of India and which is restricted from doing business with other than the Government employees

(In thousands of Rs)

Year	New Business No	New Business Amount	Total Business No	Total Business Amount	Total Income	Life Fund
1929	7,582	1,43,41	64,474	13,02,47	63,17	3,64,44
1930	8,894	1,49,56	71,479	14,17,81	69,36	4,02,80
1931	9,710	1,50,38	79,058	15,32,85	76,05	4,46,46
1932	6,484	98,15	83,165	15,88,89	81,39	4,91,47
1933	4,215	81,17	84,726	16,24,39	84,24	5,39,00
1934	5,292	1,05,90	87,494	17,36,47	88,43	5,93,78
1935	4,835	1,03,65	89,522	17,88, 6	92 83	6,40,92
1936	5,489	1,19,08	92,098	18,56,84	97,32	6,92,79
1937	5,438	1,15,70	94 588	19 56 73	1,02 09	7,45,34
1938	4 294	89 48	95 877	19 89,87	1 06 09	8 00,69

The Life Fund of the Indian life offices has increased from Rs 5 83 crores in 1913 to Rs 45 10 crores in 1937 The growth is shown below —

(In Crores of Rupees)

Year	Life Assurance Fund
1913	5 83
1915	6 77
1920	8 47
1925	12 57
1930	20 53
1931	22 44
1932	25 07
1933	28 72
1934	31 87
1935	35 19
1936	40 25
1937	45 10

The total assets of the Indian life offices amounted in 1937 to Rs 55 53 crores Of this, stock exchange securities account for Rs 38 crores, mortgages and loans on policies and on stocks and shares Rs 4 97 crores, land and house property Rs 3 28 crores, cash and stamps Rs 2 29 crores, agents' balances and other outstanding items Rs 2 48 crores and bank or personal security and other miscellaneous assets Rs 1 65 crores Investments of Indian companies outside India are mainly in the shape of stock exchange securities and amount to nearly rupees half a crore

The rates of interest realised by Indian life offices are said to be as follows during the last five years —

1929	5 49
1930	5 44
1931	5 42
1932	5 17
1933	5 17
1934	5 08
1935	4 93
1936	4 69
1937	4 76

The total assets held in India by non-Indian companies amounted in 1937 to Rs 49 crores Out of that Rs 37 crores represents the Indian assets held by the companies constituted in the U K, 11 crores of companies constituted in the Dominions and Colonies The Indian assets of American companies amount to Rs 2 lakhs and of the Japanese to Rs 8 lakhs Out of the total amount of Rs 48 crores, 43 crores represent the Indian assets of the companies which carry on life business in India either solely or along with other insurance business

Although life insurance in this country has been making a certain amount of steady progress during the recent years, the develop-

ment even at present can be styled only, as an infantile one when compared to the mammoth figures reached by insurance companies in other countries The *per capita* insurance in India is only about Rs 5 5, whereas in the U S A and Canada, it is Rs 2,318 and Rs 1,760 The following would serve to show the puny development of insurance in India when compared to the other countries

	Per Capita Insurance
U S A	2,318
Canada	1,760
New Zealand	984
Australia	751
United Kingdom	732
Sweden	563
Italy	418
Norway	377
Netherlands	338

Even taking into consideration the very low earnings of the average worker and the small amount of national dividend (small, of course, compared to the size, resources and the population) it cannot be denied that life assurance has plenty of scope to develop in this country

Insurance has been occupying the attention of the public during the last few years to a very considerable extent The defective nature of the existing laws, the lack of healthy development in certain matters such as the bad investment of funds and the flotation of mushroom enterprises with a view to cheat the credulous public, to speak of were a few of the problems that had to be solved if progress was to proceed on right lines

And we are glad to note that the new Insurance Act of 1938, which has already found a place in the Government of India's statute book has enough provisions to eradicate a number of major evils that affect the healthy growth of Indian life assurance Among the important measures provided in the New Act mention may be made of the following , compulsory registration of all the insurance companies (Indian or Foreign), furnishing of security deposits by all of them, much more stringent provisions regarding the regular filing of accounts and statements by all the companies with severe penalties for non compliance, prohibition of managing agents, licensing of agents, prohibition of rebates, limitation of commission to agents as well as a provision for the compulsory investment of a high percentage of the life fund in gilt-edged and other approved securities both by the Indian and the foreign companies It is also noteworthy that one of the main objects of the Act, namely giving full protection to policyholders, is achieved to a fair extent Thus, within one year from the commencement of the Act, every life Insurance Company should have at least 25 per cent of its Board of Directors elected from among its policyholders, all life policies would become indisputable (except on the ground of fraud) after the expiry of 2 years from commencement, provision is made for nomination by a policyholder of the person or persons to whom the policy moneys are desired to be paid after the policyholder's death, provision is made for the policyholder to receive full information by notice, within 3 months of the lapse of his policy, as to the options he may exercise under the provisions of the policy

Perhaps the most important feature of the Act is the enormous amount of Government control, over the affairs of Insurance Companies operating in India, it has newly created The Superintendent of Insurance has, under the New Act, wide powers and responsibilities He can call for information, examine books and officers of Insurance companies, refuse to file returns on the ground that they are not in compliance with the Act, direct revaluation and investigations, and apply for winding up in cases where such drastic action is called for We have given above the more important points of the New Insurance Act and we trust that this Act will help the Indian Insurance to grow and flourish in a healthy state

INSURANCE SECTION:

FIRE AND MARINE INSURANCE

If the development of life assurance in India is inadequate, the progress of non-life insurance such as fire and marine is still more so Unlike life insurance, the bulk of fire and marine insurance is written even to-day by the non-Indian companies Although the Triton Insurance Company was founded in Calcutta with ample capital as long ago as 1850 and the Bombay Mercantile Insurance was started in Bombay in 1907, it was not till 1919, that Indian companies were organised with a view to develop a distinctly national insurance market outside the sphere of life assurance

The following table gives the names of the Indian general insurance offices with their paid up capital, date and place of registration

Name of Companies	Date of registration	Place of registration	Capital Paid up
New India Assurance	1919	Bombay	71,21,000
Jupiter General Insurance	1919	Bombay	23,75,000
Vulcan Insurance	1919	Bombay	15,99,000
Triton Insurance	1850	Calcutta	5,75,000
Universal Fire and General Insurance	1919	Bombay	6,35,000
British India General	1919	Bombay	10,00,000
Indian Mercantile Insurance	1907	Bombay	4,23,000
Hukumchand Insurance	1929	Calcutta	10,00,000
Crescent Insurance	1919	Bombay	1 47,000
Burma Fire and Marine Insurance	1919	Rangoon	15,00,000
Clive Insurance Co	1917	Calcutta	
General Assurance Trust	1928	Bombay	
Indian Globe Insurance Company	1930	Bombay	
National Fire & General	1931	Calcutta	
		Total	1,63,75,000

With the exception of the Burma Fire and Marine Insurance Company, Limited, which was floated in Rangoon in 1919 and the Hukumchand Insurance Company, and National Fire and General which were incorporated as late as 1929 in Calcutta, all the other newly established offices have their head-quarters in Bombay The Burma Fire and Marine Insurance Company, after a successful career of 12 years, was wound up voluntarily in the year 1931 The Crescent Insurance Company, although originally incorporated with the object of transacting all classes of business, has latterly confined itself more or less to life assurance business There are a few other companies with comparatively small paid up capital transacting miscellaneous business, such as motor car and employers' liability insurance

The aggregate net premium income of all these companies from business underwritten in India in 1937 amounted to only Rs 96 lakhs against a net total premium income of both Indian and non-Indian companies of Rs 298 lakhs The New India, the Jupiter, the Vulcan, The Triton and the Universal have also important business connections outside India and derived a net premium income of nearly Rs 1,08 lakhs in 1937 from their operations in the foreign field The total premium income inclusive of foreign revenue, was Rs 2,14 lakhs The amount of business which Indian Companies have so far been able to underwrite in a year is small in comparison with their capitalisation A much larger business can be handled by them with the resources at their command

The distribution of the income amongst companies constituted in different countries is shown below

(In lakhs of Rupees)

	Fire	Marine	Misc	Total
U K	68,67	19,98	49,97	1,38,62
Dominions and Colonies	15,30	21,35	6,59	43,24
U S A	6,87	2,62		9,49
Europe	6,21	166	67	8 58
Japan	59	65	19	1,43
Others	22	27		49

Indian companies do a considerable amount of business abroad and obtained a net premium income of Rs 1,08 lakhs in 1935

The total premium income from Indian and non-Indian business amounted to Rs 2,98 lakhs The figures for the year 1937 show considerable improvement over those of the previous few years Even the new-comers to this highly competitive field have done well, and the reviews in this section will indicate the rapid growth Under the reformed act progress should continue, though the clauses militating against Managing Agents and chief agents may reduce the interest of the principal business-getters in the Indian companies The provisions relating to rebates will reduce the expense ratio and foster a steady growth of the additional reserves The general financial position will be strengthened thereby and the reputation of Indian companies will be enhanced

HERCULES
INSURANCE COMPANY
LIMITED
(Incorporated in India)

Head Office
16, HARE STREET, CALCUTTA

Branches
BOMBAY - MADRAS

FIRE
ACCIDENT
MARINE

[ESTABLISHED 1911]
THE BOMBAY PROVINCIAL CO-OPERATIVE BANK LTD.
(Registered under Co operative Societies' Act)

Head Office
APOLLO STREET, FORT, BOMBAY
(BRANCHES 30)

Apex Bank of the Co-operative Movement in Bombay Presidency

Working Capital
Exceeds Rs. 2,00,00,000

Fixed, Current and Savings
Deposits Accepted

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

INDIAN INSURANCE COMPANIES

ARYASTHAN INSURANCE COMPANY

Established—1934

HEAD OFFICE—2, Dalhousie Square, Calcutta

This young company which entered the insurance world five years ago has in its adolescence promised for a healthy growth Its direction is in the hands of capable gentlemen who have a fund of experience in human affairs and is therefore worthy of confidence That they have faith in the enterprise and a most lively sense of making it a success is evidenced by them not only foregoing their remuneration, but unconditionally contributing Rs 7,500 to strengthen the financial position of the company

An actuarial valuation of the liabilities of the company was made as at 31st March, 1937 In spite of a fairly stringent basis adopted in the valuation, it not only disclosed good progress within a short time, but a surplus, which made it possible to provide for a reversionary bonus of Rs 10 per Rs 1,000 on 130 policies assuring a sum of Rs 1 91 lakhs which were in force on the date of valuation for more than two complete years

The report for the year ended 31st March, 1938 shows a marked advance in business From 1,101 policies received 928 resulted in policies assuring a sum of Rs 11 73 lakhs Premium income increased from Rs 60,129 in 1937 to Rs 73,010 The overall expense ratio worked out to 65 59 per cent and the renewal expense ratio to 49 85 per cent Two claims and an annuity accounted for Rs 2,688 Expenses of management amounted to Rs 47,780, valuation expenses to Rs 730, depreciation on furniture was Rs 233 and Rs 7,800 was written off organisation expenses A substantial increase resulted in the Life Fund which at the end of the year was Rs 41,662 as against Rs 26,440 at the beginning of the year

On the Liabilities side the Balance Sheet shows the subscribed capital as Rs 2 03 lakhs of which Rs 73,010 is paid up Forfeited shares as Rs 415 The Investment Reserve Fund as Rs 2,488 The Life Fund as Rs 41,662 and premium deposits as Rs 551 Sundry deposits are shown as Rs 15,827 Claims as Rs 1,000 which were since paid and liabilities for expenses as Rs 5,838 On the Assets side the investments of the company total Rs 68,354 of which Rs 65,936 forms the deposit in Government securities at market value with the Reserve Bank, Rs 585 represents at market value shares of the Reserve Bank and Rs 1,833 as loans on policies Cash and bank balances are shown as Rs 10,047 Assets to be adjusted against revenue total Rs 26,011 and are, accrued interest Rs 490, advances to agents Rs 9,228 and outstanding premiums Rs 16,293 Fixed assets such as furniture and fittings Rs 3,495, library Rs 109 and deposits with Electric Supply Companies Rs 55, total Rs 3,659 There is a wasting asset —stationery Rs 1,131 and fictitious assets total Rs 31,579

Keeping in view a steady increase in business and a reduction in expenses the direction will soon be able to wipe out the fictitious assets from the Balance Sheet and so considerably strengthen the financial position of the company

Life Account

(In Thousands of Rs)

New Business —	1935-36	1936-37	1937-38
Number of policies	601	660	928
Amount assured	903	1,026	1,173
Total premiums	39	60	73
Claims	1	7	3
Expenses	34	39	48
Life Fund at the end of the year	4	26	42
Expense Ratio	87%	64%	66%

Balance Sheet

Liabilities —			
Paid-up Capital	68	68	73
Investment	2	1	2
Life fund	4	26	42
Other liabilities	3	11	24
	77	106	141
Assets—			
Security deposit	31	39	66
Other investments	1	1	2
Cash & Bank Balances	9	11	10
Adjustment Assets	11	18	26
Fixed Assets	3	3	4
Wasting Assets	2	1	1
Fictitious Assets	20	33	22
	77	106	141

THE ASIAN INSURANCE CO., LTD.

(Established—1910)

Head Office —Bombay

The business of the company is steadily forging ahead and undoubtedly marks the the confidence it has imposed in the Indian insurance arena In 1938 the company wrote up new business of the value of Rs 76 85 lakhs, an increase of Rs 3 84 lakhs over the previous year The Life Fund was increased fromRs 57 12 lakhs to Rs 67 67 lakhs Claims were practically the same as in the previous year and the slight increase in the expense of management is more than offset by the increase in business, this being confirmed by the decrease in the overall expense ratio from 33 3 per cent to 31 75 per cent The investments of the Company are 91 79 per cent of its total assets, and are, Rs 14 95 lakhs in giltedge securities, Rs 23 88 lakhs in Bonds and Preference Shares, Rs 11 32 lakhs in loans on policies, Rs 10 77 lakhs in other loans and mortgages and Rs 8 11 lakhs in house property The Reserve Funds are ample to cover any deprecia- in them The Balance Sheet reveal altogether a very sound position

Life Account

(In thousands of Rs)

	1935	1936	1937
New Business—			
Number	4 766	4,686	4 931
Amount	71,45	73,01	76,85
Premiums on New Business	3,48	3,37	3,64
Total Premiums	15,19	17,49	91 27
Claims	4,10	4,79	4,76
Expenses	5,71	5,93	6,12
Life fund at the beginning of the year	42 99	49,68	57,12
Life fund at the end of the year	49,68	57,12	67,67
Ratio of expenses to premium		33 3%	31,75—

Balance Sheet.

Liabilities—			
Capital	2,04	2,04	2,04
Life fund	49,68	57,12	67,67
Reserve funds	1,03	1,70	1,76
Other items	4,08	3,72	3,73
Total	56,83	64,58	75,20
Assets—			
Giltedge securities	13,72	11,87	14,95
Bonds and Preference shares	14,55	20,76	23,88
Loans on life policies	7,98	9,36	11,32
Other loans and Mortgages	6,79	10,47	10,77
House Property	5,39	6,39	8 11
Other items	7,22	5,73	6,17
Total	56,83	64,58	75,20

THE ASIATIC GOVERNMENT SECURITY LIFE ASSURANCE CO , LTD

(Established 1913—Life Dept. 1922)

Head Office —Bangalore

The annual report and accounts for the year ended 31st December, 1938, most pleasingly shows that the company has more than maintained it's position in the insurance arena of India Also, they show that the direction exercises great care and discrimination in the acceptance of risks Of 2,955 proposals received for assurances for Rs 32 22 lakhs, 2,322 were accepted during the year assuring Rs 25 18 lakhs During the year there was an increase in the premium income which amounted to Rs 4 75 lakhs as against Rs 4 41 lakhs in 1937 Interest, dividends and rents also recorded an increase and they were Rs 45,000 against Rs 41,000 in 1937 Claims by death were Rs 76,000 and by maturity Rs 35,000 Expenses of management amounted to Rs 1 93 lakhs And, the most pleasing feature the accounts reveal, is the drop in the expense ratio to 40 64 against 46 3 in 1937 and 47 in 1936 After writing off unrealised outstanding premiums, providing for taxation, depreciation, maintenance of buildings and refunds and remissions there was a substantial increase in the Life Fund which at 31st December, 1938 was standing at Rs 11 89 lakhs

The Balance Sheet could not be more clean It is entirely free of fictitious assets and assets of doubtful value Amongst the liabilities of Rs 15 49 lakhs capital and reserves are Rs 2 06 lakhs Against the liabilities there are invest-

ments which with cash and bank balances total Rs 12 20 lakhs, and are in Government securities Rs 3 22 lakhs, Indian States securities Rs 1 35 lakhs, Stock Exchange securities Rs 1 26 lakhs, mortgages on properties Rs 1 80 lakhs, loans on policies, &c Rs 1 92 lakhs, landed and house properties Rs 2 90 lakhs and cash and bank balances Rs 74,365 Revenue adjustment assets total Rs 1 74 lakhs and other assets Rs 55,000

Life Account

New Business—	1936	1937	1938
Policies	2,648	2,784	2 322
Sum Assured	28,17	30,22	25,18
Premiums	3,77	4,41	4,75
Claims	89	98	1,12
Expenses (management)	1,77	2,03	1,93
Life Assurance Fund at the beginning of the year	753	9,38	10,56
Life Assurance Fund at the end of the year	938	10,56	11,89
Ratio of expenses to Premium	47 0%	46 3%	40 6%

Balance Sheet

Liabilities—	1936	1937	1938
Capital	1,69	1,69	1,69
Life Assurance fund	9,38	10,56	11,89
Reserves	42	40	37
Outstanding claims	29	54	72
Other items	49	80	81
Total	12,27	13,99	15,48
Assets—			
Investments and bonds	3,41	4,07	5,33
Loans on policies	1,11	1,31	1,58
Other mortgages and loans	1,61	2,08	2,15
Fixed Deposits	75	75	50
House Property	2,50	2,67	2,90
Cash	65	87	74
Other items	2,24	2,24	2,28
Total	12,27	13,99	15,48

THE BOMBAY LIFE ASSURANCE CO., LTD.

(Established—1908)

Head Office 45-47, Churchgate Street, Bombay

In our last review mention was made that the progress made by the company during the past five years had been so rapid as to be called sensational This sensational progress has been maintained in 1938, and the expense ratio has been further reduced to 33% The premium income Rs 34 85 lakhs records an increase of Rs 4 08 lakhs over the previous year, and the life fund Rs 1,17,70 lakhs was increased by Rs 19 02 lakhs In four years the life fund has been increased by nearly Rs 50 lakhs

The company received 9,393 proposals during the year for assuring Rs 1 77 crores New business resulted in policies for Rs 1 45 crores and the total premium income amounted to Rs 34 85 lakhs, while interest income was Rs 4 65 lakhs Claims by death and maturity accounted for Rs 7 22 lakhs and management expenses for Rs 11 16 lakhs of the income

The balance sheet shows an increase of Rs 19 37 lakhs in the value of the assets over 1937 Government and approved securities stand at Rs 69 60 lakhs, other investments Rs 22 31 lakhs, loans on policies Rs 11 97 lakhs, other loans and mortgages Rs 3 27 lakhs, house property Rs 11 06 lakhs, cash Rs 5 82 lakhs and other assets Rs 7 25 lakhs The large sum of Rs 4 66 lakhs at reserve provides a strong stand-by against eventualities and the outstanding claims and liabilities are fully covered We have to reiterate with a satisfied sense of pleasure that the financial position of the company and its investment plan reflects the highest credit on the management which is in the able hands of an influential Directorate headed by Mr M Prem Chand and Mr J H Mehta has well deserved his elevation to that of Managing Director in recognition of his services to the company

Life Account

New Business— (In thousands of Rs	1936	1937	1938
Number of Policies	7 510	7,727	8,147
Amount	1,36,00	1,40,07	1,44,91
New Premiums	7,31	7,67	7,99
Total Premiums	26,76	30,77	34,85
Claims	5,92	6,01	7,22
Expenses and commissions	9,85	10,83	11,16
Life fund at the beginning of the year	69,89	82,49	98,68
Life fund at the end of the year	82,69	98,68	1,17,70
Net increase	12,80	16,19	19,02
Ratio of expenses to premium	37 2%	35 1%	33%

Balance Sheet

(In thousands of Rs)

Liabilities—	1936	1937	1938
Capital	1,35	1,35	1,35
Life Fund	82,69	98,68	1,17 70
Reserve Fund	2,75	3,17	4,66
Outstanding claims	3,91	4,08	4,48
Other Items	3,28	4,64	3,10
Total	93,98	1,11,92	1,31,29

Assets—

Giltedged Securities	10,43	29,58	36,34
Other Approved Securities	39,99	39,99	33,26
Total Approved Securities	50,42	69,57	69,60
Percentage of Approved Securities to Life fund *less* Policy Loans	67 7%	78%	62%
Other investments	10,25	8,84	22,31
Loans on Life Policies	8,22	9,47	11 97
Other Loans and Mortgages	5,06	2,82	3,25
House Property	9,74	11,06	11,09
Cash	5,37	4,23	5,82
Other Items	4,92	5,93	7,25
Total	93,98	1,11,92	1,31,29

THE BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

(Established 1871)

Head Office —Bombay

1938 marks a year of further progress and increased business for the society New business resulted in policies for Rs 2 05 crores providing an income of over Rs 10 67 lakhs The total premium income being Rs 51,09 lakhs Income from interest and rents was Rs 5 96 lakhs Claims accounted for Rs 6 71 lakhs and expenses of management Rs 14 63 lakhs of the income of the society The expense ratio working out to 28 63 per cent, which is 11 77 per cent less than what it was 4 years ago showing that the society has been exercising great care in keeping these down —a most commendable action The Life Fund recorded a greater increase than formerly and stood at Rs 1 35 crores as against Rs 1 02 crores in the previous year

Of the total claims amounting to Rs 5 52 lakhs as shown in the balance sheet Rs 1 17 lakhs were paid since The assets of the society show an increase of Rs 33 72 lakhs over the previous year, the increase being most noticeable in gilt-edge and other approved securities which amount to Rs 70 67 lakhs as against Rs 43 78 lakhs in the previous year Investment reserve fund and the building reserve funds appear sufficient to meet fluctuations Provision had also been made against bad and doubtful debts and for income and super-tax The summarised tables below will clearly show the progress the society has made and improved an already sound position still more during the last 3 years

Life Account

(In thousands of Rs)

New Busineess—	1936	1937	1938
Number	13,979	13,648	13,852
Amount	2,01,46	2,02,02	2,05,00
New Premiums	10,88	10,44	10,67
Total ,,	36,54	42,19	51,09
Claims	5,55	6,57	6,71
Expenses and Commission	13,00	13,48	14,63
Life fund at the beginning of the year	55,94	75,99	1,01,5
Life fund at the end of the year	75,99	1,01,55	1,34,93
Net increase	20,05	25,54	33,3
Ratio of Expenses to Premium	35 5%	31 4%	28 63%

Balance Sheet

Liabilities—			
Life Fund	75,99	1,01,54	1,34,93
Reserve Funds	4,11	3,10	2,56
Outstanding claims	3,95	5,11	5,52
Other items	2,67	3,28	3,79
Total Rs	86,72	1,13,03	1,46,80

Assets—			
Giltedged Securities	13,49	18,06	45,55
Other Approved Securities	20,62	25,72	25,12
Total approved Securities	34,11	43,78	70,67
Percentage of approved Securities to life fund less policy Loans	48 5%	46 2	60 81
Other stock Exchange investments	14,65	23,83	15,84
Loans on Company policies	5,63	6 76	10,60
Mortgage Loans	13,02	15,98	15,34
Building and house properties	11,78	11,78	15,78
Cash	2,65	5,49	4,01
Other Assets	4,89	5,41	14,56
Total Assets Rs	86,72	1,13,03	1,46,80

CONCORD OF INDIA

(Established—1931)

Head Office—8, Clive Row, Calcutta

The year 1938 records progression of business in all classes The Fire Revenue account discloses that net premiums after deducting all re-insurances was Rs 4 03 lakhs while claims paid and outstanding amounted to Rs 1 40 lakhs representing a loss ratio of 34 7 per cent The Fire Fund was increased to Rs 2 79 lakhs as against Rs 2 56 in 1936 and is over 69 per cent of the premium income Commission

and expenses accounted for Rs 2 01 lakhs and the balance Rs 38,325 was credited to the Profit and Loss Account Increased revenue in the marine branch is again recorded Net premiums after deducting all re-insurances amounted to Rs 89,125 and claims paid and outstanding to Rs 50,877 representing a loss ratio of 57 1 per cent Commission and expenses of management accounted for Rs 17,350 of the revenue enabling the Marine Fund to be raised to Rs 42,150 an improvement of Rs 12,340 over the figure of the previous year and the balance Rs 8,559 was transferred to the credit of the Profit and Loss account The Accident Revenue account shows net premiums after deducting all re-insurances amounted to Rs 1 51 lakhs, an improvement of Rs 31,000 on the previous year Claims paid and outstanding were Rs 70,904 representing a ratio loss of 47 1 per cent Expenses of management together with commission amounted to Rs 54,159 The accident fund was raised to Rs 63,288 an excess of Rs 13,000 over the previous year and the balance Rs 11,942 was transferred to the credit of the Profit and Loss Account

After meeting the necessary provision for depreciation, income tax and bad debts there was Rs 42,806 at credit of Profit and Loss Account With their usual prudence the Directors considering it advisable to further strengthen the resourcees of the company transferred Rs 25,000 to the Reserve Fund increasing it to Rs 1 75 lakhs and the balance Rs 17,806 was carried forward

The 1938 balance sheet once more reveals the care and prudence exercised in husbanding the resources of the company which will surely attract the confidence it deserves The paid-up capital of Rs 3 lakhs is heavily supported by an uncalled liability of Rs 9 lakhs in addition to the share premium fund of Rs 20,000 In addition to the special funds, the General Reserve has been increased to Rs 1 75 lakhs Other liabilities are deposits at interest by re-insuring companies Rs 20,315 , due to other companies for re-insurances Rs 91,338 , outstanding claims Rs 88,079 and for other finance Rs 17,119 , sundry creditors Rs 1 05 lakhs and the Profit and Loss Account is shown at credit Rs 17,806

Assets of the company shown an increase of Rs 33,000 over the previous year Government securities of the face value of Rs 6 06 lakhs are shown at cost Rs 5 82 lakhs which at the close of the year was under market value an consequently contains a hidden reserve Deposits at interest with ceding companies is Rs 65,847 and is three times the liability on this account Depreciation has been fully charged against the fixed assets Amounts due by other companies Rs 1 99 lakhs for re-insurances are twice the amount of the liabilities on this account and sundry debtors considered good are shown as Rs 2,38 lakhs Nearly 50 per cent has been reserved against the sum shown against the Travancore National and Quilon Bank Ltd (in liquidation) and with accrued interest Rs 2869 and cash and bank balances Rs 1 10 lakhs the assets total Rs 12 12 lakhs

Once more, as revealed by the state of affairs of the company, Mr Maitland is to be congratulated for his assiduousness in expanding the business of the company from year to year and the progress achieved in seven years reflects the greatest credit on him

Fire Account

(In thousands of Rupees

	1936	1937	1938
Premiums	3,26	3,72	4 03
Claims	86	1,71	6,40
Commission aud Expenses	1,68	1,80	2,01
Fire fund	2,44	2,56	2,79
Ratio of Expenses to Premium	51 5%	48 4%	49 8%
Ratio of Claims to Premium	23 3%	45 9%	84 7%

Accident Account

	1936	1937	1938
Premiums	89	1,20	1,51
Claims	72	57	71
Commission and Expenses	34	47	54
Reserve	45	50	63
Ratio of Expenses to premium	40 4%	39 2%	35 7%
Ratio of Claims to premium	80 5%	47 5%	47%

Balance Sheet

	1936	1937	1938
Liabilities —			
Capital	300	300	300
Fire Fund	244	256	279
Marine Fund	12	30	42
Accident Fund	45	50	63
Reserve Fund	150	150	175
Other Items	280	393	363
Total	10,31	11,79	12,22
Assets —			
Government Securities	5,04	5,82	5,82
Other Investments	42	42	68
Sundry Debtors	2,35	2,62	2,38
Cash	75	60	1 10
Other Items	1,75	2,33	2,24
Total	10,31	11,79	12,22

THE EAST & WEST LIFE INSURANCE CO., LTD.

Established—1913

Head Office Bombay

The company maintained its full quota of business in 1938 New business resulted in 2,601 policies for Rs 36 62 lakhs with a premium income of Rs 1 89 lakhs The total premium income of Rs 7 27 lakhs recorded an increase over that of the previous year Likewise income from investments Rs 1 05 lakhs, also recorded an increase over the previous year and worked out to 5 86% on the mean Life Fund Claims absorbed Rs 1 48 lakhs and expenses of management Rs 3 22 lakhs The over-all expense ratio working out to 44 31 per cent The Life Fund Rs 19 92 lakhs showed an improvement of Rs 2 82 lakhs over that of the previous year

The position as disclosed by the 1938 balance sheet discloses an all round improvement in the financial stability of the company Reserves stand at Rs 1 18 lakhs which is considered sufficient to cover all eventualities Outstanding claims Rs 1 03 lakhs and other liabilities Rs 87,000 are fully covered by liquid assets Of a total of Rs 24 01 lakhs representing the total assets of the company Rs 21 28 lakhs has been judiciously invested in giltedged securities Rs 4 08 lakhs, other stock exchange securities Rs 1 72 lakhs, loans on companies policies Rs 1 64 lakhs, mortgage and other loans Rs 3 38 lakhs, building and house properties Rs 8 66 lakhs and cash Rs 1 80 lakhs

The company has improved its financial position by over 100% in four years and has raised the Life Fund 237% from Rs 8 40 lakhs to Rs 19 92 lakhs which alone should command confidence

Life Account

(In thousands of Rs)

New Business—	1936	1937	1938
No of Policies	2,222	2 707	2,601
Sum Assured	36,18	40,04	36,62
Premiums on new business	1,77	2,10	1,89
Total Premiums	6,05	7,23	7,27
Claims by death	48	1,04	1,14
Claims by maturity	10	33	34
Commissions and Expenses	2,93	3,29	3,22
Life Fund at beginning of the year	10,42	13,94	17,10
Life Fund at year end	13,94	17,10	19,92
Increase	3,52	3,16	2,82
Ratio of Expenses to Premiums	48 4%	43 8%	44 31%

Balance Sheet

Liabilities—	1936	1937	1938
Capital	1,01	1,01	1,01
Life Fund	13,94	17,10	19,92
Other Reserves	64	58	1,18
Claims outstanding	22	83	1,03
Other items	70	95	87
Total Rs	16,51	20,47	24,01
Assets—			
Giltedge Securities	4 13	2,54	4,08
Other Approved Securities	28		
Total Approved Securities	4,41	2,54	4,08
Percentage of Approved Securities to Life Fund less Policy Loans	35 3%	16 8%	20 48%
Other Stock Exchange Investments	1,12	1,74	1,72
Loans on Companies Policies	1,15	1,34	1,64
Mortgages and other Loans	2,65	3,33	3,38
Building and House Properties	4,20	8,45	8,66
Cash	1,11	37	1,80
Other Assets	1,87	2,70	2,73
Total Assets	16,51	20,47	24,01

EMPIRE OF INDIA LIFE ASSURANCE CO., LTD

(Established—1897)

Head Office Bombay

With their usual promptitude and foresight to face new conditions, the management have altered its financial year to the calendar year to fall into line with this provision of the Insurance Act even before it had come into force Though it may be misleading to compare results of ten months working with those of a full year, yet the position disclosed at 31st December, 1938, shows the very strong position the company holds New business resulted in 8,669 policies for Rs 1 37 crores and the total business in force increased by 2,500 policies over the previous year, making 77,500 policies for Rs 14 29 crores

Premium income to 31st December, 1938, was Rs 48 79 lakhs and interest on investments was Rs 18 54 lakhs Claims by death and maturity absorbed Rs 36 46 lakhs of the income while expenses of management accounted for Rs 12 15 lakhs bringing the expense ratio 24 9% down by another 1% The result being that the company was able to add another Rs 14 31 lakhs to the Life Fund—a most creditable achievement indeed

During the 10 months Rs 11 70 lakhs has been added to the value of the assets Amongst the liabilities the Life and reserve funds bulk largely amounting to Rs 4 97 crores Outstanding claims are shown as Rs 10 54 lakhs and other liabilities as Rs 2 26 lakhs Nearly 83% of the assets are in giltedge securities amounting to Rs 4 30 crores These are substantially below market value and being all redeemable at par, there is a substantial reserve margin against future shrinkage of capital values Loans on policies within their surrender value are Rs 65 63 lakhs, and house property in India is marked down to Rs 9 19 lakhs Adjustment assets featuring future revenue total Rs 9 73 lakhs and cash and bank balances are over Rs 3 lakhs

To view such an improvement in the affairs of the company during the ten months must be most gratifying to policy and shareholders alike, and they cannot but have the geratest confidence in those at the helm who have had to steer through new conditions of competition, legislation and finance each year

Life Account

(In Thousands of Rupees)

New Business—	1936-37	1937-38	1938*
Number (actual)	11,915	12,078	8,669
Amount	1,86,69	1,87,29	1,37,32
Premium on Business	8,55	9,38	7,04
Total Premium	58,03	61,10	48,79
Claims by Death	11,56	13,73	10,63
Claims by Maturity	25,15	31,04	25,83
Life Fund at the beginning of the year	4,09,75	4,32,56	4,44,20
Life Fund at the end of the year	4,32,65	4,44,20	4,58,52
Ratio of expenses to premium	24 9%	25 8%	24 9%

Balance Sheet

Liabilities—			
Capital	4,12	5,15	5,15
Life fund	4,32,56	4,44 20	4,58,52
Other Reserve Funds	37,34	43,11	42,05
Outstanding claims	12,60	14 30	10 54
Other items	25	12	2,32
Total	4,87,27	5,06,88	5,18,58

Assets—			
Giltedge Securities	3,00,50	3,26,40	3,41,05
Debentures	88,63	87,75	87,75
Loans on Life Policies	65,66	65,37	65,63
House Property	9,19	9,19	9,19
Other Assets	23,29	18,17	14,96
Total	4,87,27	5,06,88	5,18,58

* For 10 months ended 31st Dec , 1938

THE GENERAL ASSURANCE SOCIETY, LTD.

(Established—1907)

Head Office Ajmer

Further progressive business is disclosed in 1938 which goes to show that the company has not only consolidated its position but is steadily forging ahead New business resulted in 3,932 policies for 58 41 lakhs an improvement of Rs 3 11 lakhs over the previous year Premium income increased also from Rs 16 62 lakhs to Rs 18 03 lakhs during the year Interest income was Rs 3 35 lakhs and with sundry other receipts brought the total income up to Rs 21 43 lakhs an increase of Rs 1 10 lakhs over the previous year Of this claims accounted for Rs 8 15 lakhs Expenses of management for Rs 4 91 lakhs and after providing Rs 289 lakhs for depreciation, income-tax, dividend, repairs to buildings Rs 5 41 lakhs was added to the Life Fund bringing it up to Rs 83 46 lakhs

Over 70 per cent of the total assets are invested in government securities and approved securities which stand at Rs 64 11 lakhs Loans on policies are Rs 9 77 lakhs, mortgage and other loans Rs 64,000, building and house property Rs 11 84 lakhs The resources are more than ample to cover the liabilities of the Life Fund Rs 4 83 lakhs and other liabilities Rs 1 91 lakhs

Life Account

	1936	1937	1938
Number of Policies	3,269	3,787	3,932
Amount Assured	51,26	55,30	58,41
Premiums on New Business	2,56	2,95	2,73
Total Premiums	15,44	16,62	18 03
Claims	5,97	5,81	6,38
Expenses	471	3,64	4 91
Life Fund at the beginning of year	60,70	71,62	77,33
Life Fund at year end	71,62	77,33	83 46
Ratio of expenses to Premium	31 3%	29 1%	27 23%

Balance Sheet

Liabilities—			
Capital	1,33	1,33	1 35
Life Fund	71 62	77 33	83,46
Outstanding Liabilities of Life Fund	4,64	4 06	4,83
Other items	3,45	3,11	1,91
Total	81,04	85,83	91,55

Assets—			
Giltedge Securities	17,36	39,98	51,49
Other Approved Securities	11,22	22,06	12,62
Total Approved Securities	58,58	62,04	64,11
Percentage of approved Securities to Life Fund less loans on Policies	91 8%	89 5%	72 41%
Other investments	2	25	27
Loans on Company's Policies	7,78	8,02	9,77
Mortgage Loans & other Loans	12	30	64
Buildings and House Properties	10,71	10,67	11,84
Cash	95	93	97
Other items	2,88	3 62	3,95
Total	81,04	85,83	91,55

THE NEW GUARDIAN OF INDIA INSURANCE CO., LTD

Established—1934

Head Office—MADRAS

It is with very great regret to learn that repercusison of the failure of the Travancore National & Quilon Bank, Ltd rather adversely affected the business of the company during 1938, and considerably arrested the progress of this virile young company Yet, it is pleasure to see that through the management adopting a bold policy in meeting all demands from policy holders it very creditably weathered the storm and emerges from it most satisfactorily During the year the company was able to book business resulting in 1,866 policies for Rs 21 18 lakhs Premium income was Rs 2,95 lakhs and with interest and other receipts brought the total income up to Rs 3 01 lakhs Claims amounted to Rs 30,000 and expenses of management to Rs 1 44 lakhs After providing liberally for depreciation and doubtful debts Rs 69,000 was added to the Life Fund which stood at 2 69 lakhs A most pleasing feature noticeable is that in spite of diminished business and returns the management were able to further reduce the expense ratio by approximately 4 per cent

The subscribed capital of the company is Rs 5 lakhs of which Rs 2 50 was called up, and on which Rs 1 75 lakhs has been paid up In additions to the reserve of Rs 2 50 lakhs, the uncalled liability of the shareholders, the balance sheet shows that Rs 72,000 is due on calls from directors of the company or directors of the managing agency firms and from the managing agents and it can be presumed with some certainty that this sum would be immediately available to meet whatever contingency may arise Outstanding claims are Rs 22,000 and on the assets side investments in government securities amount to Rs 2 01 lakhs and cash and bank balances to Rs 70,000 Realisable assets total Rs 98,000 These figures show the company as being sound and with ample resources to meet its liabilities on the basis of the 1938 balance sheet

Life Account

(In thousands of Rupee)

	1936	1937	1938
New business—			
Number of Policies	3,004	3,448	1,866
Amount Assured	36,54	40,96	21,18
Total Premiums	237	367	2,95
Claims	13	26	30
Expenses	150	192	144
Life fund at the end of the year	75	200	269
Expenses ratio	63 3%	52 5%	48 8%

Balance Sheet

Liabilities—			
Paid-up Capital	122	171	175
Life Fund	75	200	2,69
Other Liabilities	43	54	94
Total	240	425	5,38
Assets—			
Giltedge securities	76	2,01	2,01
Other approved Securities		25	
Total approved Securities	1,01	2,01	2,01
Percentage of approved Securities to Life funds less policy loan	136 5%	102 6%	77 6%
Other investments	5	5	5
Loan on company's policies	1	4	10
Cash	40	59	70
Other Assets	39	1,56	2,52
Total	240	425	5,38

THE HERCULES INSURANCE CO., LTD

Established—1935

Head Office Bombay

Further improvement in business in 1938 undoubtedly show the confidence established by the company during the three years it has been functioning This is all the more evident when one sees from the balance sheet that during the year it had received nearly Rs 4 lakhs as deposit premium in advance and the total funds of the company was increased by Rs 87,343

The Fire Department shows a surplus of Rs 99,359 after reserving 45% for un-

expired risks The Accident Department after reserving 45% and an additional amount of Rs 15,000 reveals a small deficit of Rs 7,807 A surplus of Rs 13,954 is disclosed in the Marine Department which was transferred to the Marine Insurance Fund with an additional amount of Rs 10,000 The Profit and Loss account closed with a credit balance of Rs 66 686 to which was added Rs 9,143 the balance brought forward from the last account and Rs 1,550 premium received on shares alloted during the year, making a total of Rs 77,379 available for appropriation Rs 65,000 of this sum was transferred to general Reserve and the balance Rs 12,375 was carried forward

The subscribed capital of the Company is Rs 18 lakhs of which half only has been called up paid Apart from the special reserve funds the general Reserve stands at Rs 2 75 lakhs which is over 30% of the paid-up capital The liabilities total Rs 1 09 lakhs and are claims outstanding Rs 15,987 due to other Insurance companies Rs 21,003 and sundry creditors for expenses Rs 71,712 These are covered 3 times over by the cash and bank balances Among the assets Rs 7 99 lakhs are invested in government securities and Rs 6 02 lakhs in debentures and shares of companies while cash and bank balances are Rs 3 76 lakhs These above are over 94% of the total assets

Altogether one is left with the impression after reading of the accounts and balance sheets that the greatest prudence is being exercised by the management so that the strength already attained by the company will steadily grow to greater strength year by year

Fire Account

In Thousand of Rs

	1936	1937	1938
Premium	2,05	3,63	3,21
Claims	27	19	85
Expenses	1 09	1,44	1,55
Reserves	72	1,63	1,14
Ratio of claims to premiums	13 2%	25 8%	26 5%
Ratio of expenses to premium	53 4%	39 9%	51·4%
Ratio of reserves to premium	35 3	45	45

Accident Account

Premium	54	69	80
Claims	7	17	32
Expenses	25	35	40
Reserves	27	36	51
Ratio of claims to premium	13%	24 7%	40%
Ratio of expenses to premium	46 3%	50 0%	50%
Ratio of reserves to premium	50%	52 2%	63 7%

Marine Account

Premium	4	10	17
Expenses	3	8	12
Reserve	1	9	24
Ratio of expenses to premium	70%	80%	70%
Ratio of reserve to premium	25%	90%	141%

Balance Sheet

Liabilities—

	1936	1937	1938
Capital	7,83	8,92	9,00
Reserve	1,50	2,10	2,75
Fire Fund	72	1,63	1,44
Accident Fund	27	36	51
Marine Fund	1	9	24
Other items	4,89	5,24	4,94
Total	15,22	18,34	18,88

Assets—

Giltedge Securities	4,38	4,66	5,72
Debentures and Preference Shares	3,90	5,80	5,48
Equity Shares	2,27	2,06	2,81
Other items	1,03	75	1 11
Cash	3 64	5,07	3,76
Total	15,22	18,34	18,88

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY, LTD.

Mention was made in our last review that in spite of numerous troubles and difficulties the Society had been able to maintain a steady and all round progress from year to year Since then new business booked increased from 17,647 policies for Rs 2 83 crores to 19,158 policies for Rs 3 14 crores which clearly shows the virility possessed by the Society Total premiums to April 30, 1939 was Rs 74 48 lakhs recording an increase of Rs 11 83 lakhs since our last review while the expense ratio was brought down to 28 9% from 31 1% In the resultant increase to the Life Fund which stands at Rs 2 97 crores the assets at 30th April 1939 show an in-

crease of Rs 76 lakhs The total number of policies in force at the end of the year was 95,611 assuring a total sum of Rs 16 35 crores inclusive of bonus of which Rs 11 43 lakhs was re-assured

Total premium income during the year was Rs 74 48 lakhs which added to Rs 11 04 lakhs income from interest, dividends and rents made the total income Rs 85 52 lakhs Of this, claims by death including bonuses accounted for Rs 13 76 lakhs, claims by maturity including bonuses for Rs 11 42 lakhs, surrenders and foreclosure of policy loans for Rs 2 14 lakhs Provision in respect of past services to staff, contribution to staff provident fund, depreciation on furniture etc, and income tax for Rs 2 69 lakhs, expenses of management for Rs 21 55 lakhs, provision in respect of doubtful debts for Rs 20,000 and reserve for depreciation of investments for Rs 4 85 lakhs The surplus Rs 28 91 lakhs was added to the Life Fund

The balance sheet at 30th April, 1939 discloses on the liabilities side the Life Fund as Rs 2 97 crores Outstanding death and matured claims as Rs 15 73 lakhs, and outstanding claims under instalment and deferred payment policies as Rs 41,820 Other sums owing by the Society are shown as Rs 6 24 lakhs Reserves total Rs 12 49 lakhs and have been earmarked for house property sinking fund Rs 4 09 lakhs, provision in respect of doubtful debts Rs 40,000, contingency reserve Rs 1 lakh, reserve for depreciation of investments Rs 5 50 lakhs and provision in respect of past services of the staff Rs 1 50 lakhs Paid-up capital is shown as Rs 4 49 lakhs and other liabilities as Rs 51,702 The investments of the Society are over 60% of the total assets The value of the securities after deduction of the reserve for depreciation does not exceed market value The assets are well and judiciously distributed Giltedge securities are Rs 88 90 lakhs, other approved securities Rs 41 31 lakhs, other investments Rs 16 83 lakhs, loans on life policies Rs 32 11 lakhs, loans on mortgages of real property Rs 39 87 lakhs, house and landed properties Rs 84 56 lakhs, cash Rs 5 26 lakhs and other items Rs 27 79 lakhs

These pleasing results have been achieved under difficult conditions and undoubtedly reflects great credit on the management

Life Account

(In thousands of Rs)

New Business—	**1937-38**	**1938-39**
Number	19,248	19,158
Amount	3,07,11	3,14,27
Total Premiums	69,61	74,48
Claims by death	10,70	13,76
Claims by Maturity	8,93	11 42
Expenses	20,84	21,55
Life fund at the beginning of year	2,31,98	2 67,83
Life fund at the end of year	2,67,83	2,96,74
Net increase in the life fund	35,85	28,91
Ratio of expenses to Premium	29 9%	28 9%

Balance Sheet

Capital	4,46	4,49
Life fund	2,67,83	2,96,74
Outstanding claims	12,43	16,15
Other items	12,58	19,25
Total	2,97,30	3,36,63
Gilt-edge securities	56,20	88,90
Other approved securities	35,70	41,31
Total approved securities	91,90	130,21
Percentage of approved securities to Life fund less Policy loans	38 4%	49 2%
Other investments	19,70	16,83
Loans on life policies	28,59	32,11
Loans on mortgages of real properties	53,50	39,87
House and landed properties	66,82	84,56
Cash	8,98	5,26
Other items	27,81	27,79
Total	2,97,30	3,36,63

THE INDIAN MERCANTILE INSURANCE CO., LTD

Established—1907

Head Office—11, Bank Street, Bombay

Increased business of about 50 per cent of the net fire premium income clearly goes to show the confidence the company has established The premium income in 1938 in this department amounted to Rs 1 64 lakhs Claims accounted for Rs 42,000 and expenses of management for Rs 1 03 lakhs While maintaining the Fire Insurance Fund at Rs 2.50 lakhs a balance of Rs 54,744 was available for appropriation Adding to it last year's balance of Rs. 7,318 there was a total disposable balance of Rs 62,062 Of this Rs 58,171 was absorbed in payment of a

dividend at Rs. 2-8 and a bonus of 4 annas per share, Rs. 1,050 in payment of a bonus to staff and Rs. 2,841 was carried forward subject to provision for income and super-tax.

Business in the Life Department was maintained and at the end of the year there were 2,520 policies in force assuring a sum of Rs 49 73 lakhs or which Rs. 7 97 lakhs was reinsured. Premium income was Rs 2 32 lakhs Claims accounted for Rs 36,000 and expenses of management of Rs 1 02 lakhs making possible an appreciable increase of Rs. 1 02 lakhs to the Life Fund which at the end of the year stood at Rs 2 57 lakhs

There is an uncalled liability of Rs 16 92 lakhs on capital account which considerably strengthens the position of the company The paid-up capital stands at Rs. 4 23 lakhs With the Fire Insurance Fund and the Life Fund the reserves are Rs 3 17 lakhs Amongst the assets gilt-edge securities are shown at Rs 6,57 lakhs and property at 5 50 lakhs These two items are over 67 per cent of the total assets The resources of the company are such that it can meet all eventualities

Fire Account

(In thousands of Rs)

	1936	1937	1938
Premiums (Net)	1,07	1,11	1 64
Claims	6	5	42
Expenses	63	94	1,03
Reserves	2,40	2,50	2,50
Ratio of claims to Premium	5 6%	4 5%	25 6%
Ratio of expenses to Premium	58 9%	84 7%	62 8%
Ratio of reserves to Premium	222 4%	225 0%	152 4%

Life Account

(In thousands of Rs)

No of policies	7,23	8 41	8,20
Amount assured	12 45	16,06	16,32
Premiums	95	193	2,32
Claims	15	43	36
Expenses	74	88	1,02
Life fund at the end of the year	1,01	1,55	2,57

Balance Sheet

(In thousands of Rs)

	1936	1937	1938.
Liabilities—			
Capital	4,23	4,23	4,23
Fire Fund	2,40	2,50	2,50
Reserve Funds	5,47	6,98	8,03
Outstanding liabilities of Life Assurance Fund	1,17	1,22	1,80
Other liabilities	1 92	1,71	1,87
Total	15,19	16,64	17,93
Assets—			
Giltedge securities	5,56	5,44	6,57
Property	5,50	5,50	5,50
Outstanding Premiums and rents	36	42	89
Cash	1,28	35	1,33
Other Assets	2,49	4,93	3,64
Total	15,19	16,64	17,93

THE INDIAN LIFE ASSURANCE CO., LTD.

(Established—1932)

Head Office KARACHI

As indicated in our last issue the expansion policy recently adopted by the Company has resulted in its business doubling itself during the year ended 31st May, 1938 and even for the 7 months ended 31st December, 1938 new business has been over 66% more than what it was in 1937 This most clearly goes to show that not only in its domicile province but outside of it, the company has ungrudgingly received the confidence which must inevitably follow in the train of judicious economic management and prudence which made for the great soundness and strength which was built up The total premium income the year ended 31st May, 1938 improved by over 1 lakh and for the 7 months following it shows an improvement over previous years

To come into line with the Insurance Act, IV of 1938, the company most promptly adopted the calender year, we have therefore to deal with accounts for 19 months During this period new business resulted in 2,352 policies with an income of Rs 2 42 lakhs the total premium income being Rs 12 43 lakhs Interest income Rs 7 4 lakhs being added to it made the total income Rs 19 57 lakhs claims account for Rs 8 90 lakhs and expenses of management for Rs 3 20 lakhs This made it possible to increase the Life Fund by Rs 6 11 lakhs which at the end of the period stood at Rs 90 37 lakhs

The balance sheet at 31st December, 1938 discloses that there is an uncalled liability of Rs 2 55 lakhs on capital account which considerably adds to the soundness and strength of the company The paid-up capital stood as formerly at Rs 1 45 lakhs , the life fund at Rs 90 37 lakhs , investment reserve fund at Rs 7 34 lakhs , shareholders' reserve fund at Rs 8 lakhs Dividend appropriation account at Rs 1 63 lakhs, and miscellaneous liabilities at Rs 20 40 lakhs The assets total Rs 1 29 crores and over 75% of them have

been invested in government and approved securities which stand at Rs 97 98 lakhs Loans on companies policies are shown as Rs 8 35 lakhs and mortages and other loans as Rs 5 45 lakhs House property less depreciation is Rs 7 16 lakhs, cash and bank balances Rs 8 42 lakhs and accrued interest and outstanding rent Rs 1 21 lakhs Other miscellaneous assets total Rs 62,000

The investment have been taken into account at Rs 1 11 lakhs below market value and a most substantial sum of Rs 7 34 lakhs has been provided as an Investment Reserve Fund Altogether the balance sheet reveals an exceedingly strong and sound position

Life Account

(In thousands of Rs)

New Business—	1936	1937	1938
No of Policies	5,69	6,86	23,52
Sum Assured	9,96	11,48	45,12
Premium income	53	59	2 42
Total premiums	7,06	7,13	12,43
Life Fund at the beginning of the year	78,30	81,10	84,26
Life Fund at the end of the year	81,10	84,26	90 37
Net increase	2,80	3,16	6,11
Claims	5,06	4,90	8,90
Expenses	81	1,20	3,20
Ratio of expenses to Premiums	15 0%	16 8%	25·7%

Balance Sheet

Liabilities—			
Capital	1,45	1,45	1,45
Life Assurance Fund	81,10	84,26	90,37
Shareholders' Reserve Fund	9,14	9,14	9,63
Claims outstanding	2,26	1,98	2,30
Other items	24 66	23,79	25,44
Total	1,18,61	1,20,62	1,29,19
Assets—			
Giltedged securities	94,30	94,20	86,27
Other approved securities	8,48	8,48	11,71
Total approved securities	102,78	102,68	97,98
Building and House Property	5,81	5 64	7,16
Cash	3,32	3,68	8,42
Other items	9,40	8,62	15,63
Total	1,18,61	1,20,62	1 29,19

INDUSTRIAL AND PRUDENTIAL ASSURANCE CO., LTD.

(Established—1918)

Head Office—Bombay

Although numerically the company booked less business than it did in 1937, the sum assured was greater, showing that the company has been able to hold its own under adverse conditions which were prevalent during the year. New business resulted in 4,746 policies assuring a sum of Rs 95.11 lakhs Premium income was Rs 26 19 lakhs as against Rs 25 40 lakhs in 1937 Interest, dividends and rents with other receipts brought the total income up to Rs 29 97 lakhs Claims absorbed Rs 7 56 lakhs expenses of management Rs 6 84 lakhs and sundries Rs 1 59 lakhs leaving a surplus of Rs 13 88 lakhs which was added to the Life Fund which at 31st December, 1938 stood at Rs. 1 02 crores Owing to the low mortality experience and low expense ratio the company has almost doubled its Life Fund in 4 years

The balance sheets discloses a very strong and healthy position showing the great care and prudence exercised in conserving the resources of the company. On the liabilities side, the paid-up capital stands at Rs 2 19 lakhs and the uncalled liability is Rs 16 04 lakhs which provides greater security to the policyholders. Claims outstanding are Rs 3 19 lakhs and Reserves stand at Rs. 2 53 lakhs The The Life Fund is Rs 1 02 crores and other liabilities stand at Re 1 78 lakhs On the assets side, giltedged and other securities are Rs. 86 16 lakhs being 92 4 per cent of the Life Fund Other investments are Rs. 9 27 lakhs Loans on policies Rs 9.11 lakhs Other loans and mortgages Rs. 2 95 lakhs. House property Rs 32,000 Cash and Bank balances Rs 1 05 lakhs and other items Rs. 8 26 lakhs. During the last four years the assets of the company have increased by 157 5 per cent a most telling factor in the steady growth of the company which certainly reflects great credit on the management

Life Account

(In thousands of Rupees)

	1936	1937	1938
Number of Policies	4,916	5,141	4,746
Amount	91,80	94,32	95,11
Premiums	21,70	25,40	26,19
Claims	5,77	7,10	7,56
Expenses	6,40		6,84
Life Fund at the beginning of the year	62,92	74,99	88,41
Life Fund at the end of the year	74,99	88,41	1,02,29
Net increase	12,07	13,42	13,88
Ratio of expenses to premium	29 5%	27 9%	26·2%

Balance Sheets

Liabilities—	1936	1937	1938
Capital	2,19	2,19	2 19
Claims Outstanding	2,45	2,91	3,39
Reserve Funds	2,62	2,62	2,53
Life Funds	74,99	88,41	1,02,29
Total Funds	77,61	91,03	1,04,82
Other items	1 43	1,22	1,72
Total	83,39	97,35	1,12,12

Assets—	1936	1937	1938
Giltedged securities	17,37	16,42	24 86
Other approved securities	50,92	60,21	61,30
Total approved securities	68,29	76,63	86 16
Percentage of approved securities to Life fund less policy Loans	99 3%	95 1%	92 4%
Other investments	3,17	5,24	9,27
Loans on Life Policies	6,19	7,96	9,11
Other Loans and Mortgages	1,56	2,10	2 95
House Property		26	32
Cash	98	1,74	1,05
Other items	3,20	3,42	3,26
Total	83,39	97,35	1,12,12

JUPITER GENERAL INSURANCE COMPANY, LTD.

(Established—1919)

Head Office—Bombay

The company has altered its closing date from 30th June to 31st December, and during the period of 18 months it increased the position of the Fire Department, the Fund standing at Rs 9 lakhs as against Rs 7 29 lakhs at the time of our last review, and this in spite of claims being as heavy as nearly 50 per cent of the premium income The reserve is now 71 32 per cent of the premium income showing that the management have given due regard to whatever contingencies may arise The Marine Fund has been maintained at Rs 2 30 lakhs being 122 26 per cent of the premium income The Assident Fund also has been maintained at Rs 1 20 lakhs which is 47 48 per cent of the premium income in this department

In the Life Department business which resulted showed that the company is steadily forging ahead In the year 1938 it booked 1,170 policies for Rs 22,66 lakhs less reinsurances, the annual premium thereon being Rs 1 28 lakhs Claims by death and maturity were Rs 1,09 lakhs Actual premiums received during the year after deducting reinsurance premiums amounted to Rs 5 08 lakhs and interest and fees amounted to Rs 51,000 Claims, surrenders, commissions and expenses of management absorbed Rs 3 26 lakhs leaving a credit balance of Rs 2 34 lakhs Adding to this the sum of Rs 13 61 lakhs being the Life Fund at the commencement of the year, and Rs 76,200 appreciation in the value of securities as at 31st December, 1937 a Life Fund amounting to Rs 16 70 lakhs has been created recording an increase of Rs 3 10 lakhs during the year The total assurance in force at the end of the year amounted to Rs 91 75 lakhs

The Third Valuation of the Life Department at 31st December, 1937 disclosed a surplus of Rs 1 48 lakhs This enabled the directors to pay a bonus of Rs 15 and Rs 12 per year for Rs 1,000 assured for whole life and Endowment with Profit Policies respectively

The Profit and Loss Account discloses that Rs 1 81 lakhs was taken credit for interest, transfer fees and gain on sale of securities, &c Rs 10,327 was transferred from the Accident Revenue Account To this being added Rs 52,040 balance of last years account, the total comes to Rs 2 43 lakhs After transferring Rs 1 63 lakhs to Fire and Marine Revenue Accounts and debiting Rs 769 for loss in exchange and expenses, &c , there remained Rs 34,347 of which Rs 16,239 was allotted to pay the 19th Dividend on Preference Shares for the half-year ended 31st December, 1937, free of income-tax and the balance Rs 18,107 was carried forward

The funds of the company record a further increase of Rs 2 92 lakhs and at 31st December, 1938 stood at Rs 55,81 lakhs The market value of the investments is Rs 31,000 over the book value as on 31st December, 1938, and there is a reserve of Rs 2 41 lakhs against fluctuation in them Investments total Rs 56,01 lakhs outstanding balances Rs 9 24 lakhs cash Rs 2 31 lakhs and other assets Rs 9,000 Another source of great reserve and stability of the company is the uncalled liability of Rs 1 26 crores on capital account

Life Account

(In thousands of Rs)

New Business—	1936*	1937	1938
Policies issued	887	334	1,170
Amount	16,90	6,09	22,66
Premiums on New Business	2,85	34	1,28
Total Premiums	0,46	2,19	5,08
Claims	42	40	1,35
Expenses	1,62	76	1,82
Life fund at the beginning of the year	8,23	12,78	13,61
Life fund at the end of year	12,78	13,61	16,70
Ratio of expenses to premium	25,08	34,8	35 8

Fire Account

Premiums	12,82	5,39	12,62
Claims	4,42	2,06	6,89
Expenses	7,75	3,69	7,48
Total Reserves	7,29	9,00	9,00
Ratio of claims to premium	34 5%	34 9%	54 58%
Ratio of expenses to premium	69 5%	62 6%	59 26%
Ratio of reserves to premium	56 9%	152 7%	72 32%

Marine Account

Premiums	1,82	97	1,88
Claims	1,24	42	96
Expenses	96	54	1,31
Total reserves	2,30	2,30	2,30
Ratio of claims to premium	68 3%	43 3%	42 57%
Ratio of expenses to Premium	52 9%	55 6%	69 41%
Ratio of reserves to premium	126 37%	237 1%	122 26%

Accident Account

Premiums	1,86	1,01	2,53
Claims	97	59	1,16
Expenses	91	56	1,30
Total reserves	1,20	1,20	1,20
Ratio of claims to premium	52 1%	58 4%	45 29%
Ratio of expenses to premium	48 9%	55 4%	51 41%
Ratio of reserves to premium	64 6%	118 8%	47 48%

Balance Sheet as at 31st December

Liabilities—	1937*	1937	1938
Capital paid up	23,75	23,75	23,75
Funds—			
Life	12,78	13,61	16,70
Fire	9,00	9,00	9 00
Marine	2,30	2,30	2,30
Accident	1,20	1,20	1,20
Provident	1,54	1 52	3 14
Reserves	3,21	3,31	3,14
Total	30,03	30,94	32,34
Sundry liabilities	10,01	14,59	11,32
P & L a/c Balance	1,62	52	34
Total	65,41	69,80	67,65

* Year ended 30th June

Assets—			
Invtestments	47,08	54,03	56,01
Outstanding Balance	13,80	12 96	9,24
Cash	3,02	2,72	3,31
Other assets	61	9	9
Total	65,41	69 80	67,65

Profit and Loss Account at 31st December

Reepts—	1937*	1937	1938
Brought forward	55	1,62	52
Transfered from—			
Fire Account	91	27	
Marine		4	
Accident	2		10
Interest	100	51	103
Other items	13	1	78
Total	261	245	243
Disbursements—			
Allocations including depreciation	41	54	1,76
Dividend	126	126	
Other expenses	69	13	32
Carry forward	25	52	35
Total	261	245	24—

THE LAKSHMI INSURANCE CO., LTD.

(Established—1924)

Head Office—Lahore.

To fall into line with provisions of Section 11 of the Insurance Act the company has adopted the calendar year Since our last review we have now to comment on the position of the company for 20 months, during which it has again created a record During 1937-38 new business resulted in 9043 policies for Rs 1 61 crores an increase of 789 policies and Rs 10 02 lakhs over the previous year For the 8 months ending 31st December 1938 the company underwrote 5,364 policie for over Rs 1 crore New premiums and total premiums in 1937-38 were Rs 7 21 lakhs and Rs 32 01 lakhs respectively, which in the 8 months ended 31st December 1938 they were Rs 4 83 lakhs and Rs 21,23 lakhs respectively Claims in 1937-38 were Rs 6 98 lakhs and expenses of management were Rs 11 06 and to 31st December 1938 they were Rs 5 08 lakhs and Rs 7 59 lakhs In the result the Life Fund increased from Rs 85 85 lakhs on 1st May 1937 to Rs 1 13 crores at 31st December 1938 an increase of Rs 27,15 lakhs which must be exceedingly flattering to the management

In the matter of claims the company has persisted in the laudable practice it had adopted of prompt payments which

THE NEW INDIA ASSURANCE CO., LTD.

Head Office: **BOMBAY**

ESTABLISHED 1919

India's Largest Composite Insurance Company with a World Wide Organisation

Transacting

LIFE, FIRE, MARINE, ACCIDENT, MOTOR CAR, ETC.,

Authorised Capital .	Rs.	6,00,00,000
Subscribed Capital .	„	3,56,05,275
Paid-up Capital . .	„	71,21,055
Total Funds . .	„	2,59,23,074
Claims paid exceed .	„	8,00,00,000

Calcutta Branch:

9, CLIVE STREET

undoubtedly has brought in its train the confidence which the company is enjoying in an increasing measure from year to year During the period of 20 months 405 claims of the value of Rs 8 12 lakhs accured by death These include bonuses but exclude amounts re-insured Claims amounting to Rs 1 22 lakhs were outstanding from the previous period During the period Rs 6 54 lakhs was paid leaving a balance of Rs 2 28 lakhs outstanding less recoverable under reinsurances 153 claims for Rs 2 77 lakhs accrued by maturity all of which were promptly paid

The investment Reserve Fund at 31st December 1938 stood at Rs 3 58 lakhs The excess of the market value over book value of the securities and railway shares was Rs 21,000 There is thus more than ample provision against any adverse fluctuations in prices of the securities held The investment policy of the company continues to be cautious and progressive Investments in Government and State Securities on 31st December 1938 amounted to Rs 43 77 lakhs recording an increase of 12 37 lakhs over the figure at 30thh April 1937 The balance sheet discloses a very healthy and sound position built up in the short span of 14 years which must be the envy of several companies which have been operating for a longer period

(In Thousands of Rs)

New Business—	1936 37	1937-38	1938-39
Number of policies (actual)	8,254	9,043	5,364
Amount assured	1,51,12	1,61,14	1,00,19
New Premiums	7,71	7,21	4,83
Total Premiums	28,52	32,01	21,23
Claims	5,28	6,98	5,08
Expenses	10,22	11 06	7,59
Life fund at the beginning of the year	69,64	85,85	1 01,72
Life fund at the end of the year	85,85	1,01,72	1,12,64
Net increase	16 21	15,87	10,92
Ratio Expenses to Premiums		34 5%	35 8%

Balance Sheet

Liabilities—			
Capital	1,01	1,01	1,01
Life fund	85,65	1,01,72	1,12 64
Outstanding claims	2,41	1,65	2,28
Other Items	6,19	9,20	9,25
Total	95,26	1,13,58	1,25,18

Assets—			
Giltedged and other approved Securities	14,22	37,00	31,91
Other approved securities	15 32	1,55	1,54
Total approved securities	29,54	38,55	33,45
Percentage of approved Securities to life assurance fund less policy loans	36 3%	36 4%	28 2%
Other stocks and shares	3,61	40	11,87
Loans on Company s policies	4 58	5,92	9,74
Other loans and Mortgages	24,66	30,34	27,72
House Property	19,69	25,35	28,00
Cash	5,66	4,50	7,82
Other Items	7,52	8,52	6,58
Total	95,26	1,13,58	95,62

Financial year altered from 30th April to 31st December

THE METROPOLITAN INSURANCE COMPANY, LTD.

(Established 1930)

Head Office —28, Pollock St , Calcutta

The vigorous infant has grown to be a very healthy child and gives great promise of a robust development Commencing with a business of Rs 40 lakhs 8 years ago it has almost doubled this figure at 31st March 1938 and in 4 years it has brought down its expense ratio by 15 per cent Progression at this rate is most encouraging to hope that the company will creditably fill an important position in the economic field of India For the year ended 31st March 1938 new business amounting to Rs 90 05 lakhs was placed with the company resulting in policies for Rs 75 24 lakhs Premium income less reinsurances was Rs 8 27 lakhs and interest and other receipts amounted to Rs 44,000 Claims accounted for Rs 1 20 lakhs and expenses of management for Rs 4 19 lakhs Thus the company could add Rs 3 27 lakhs to the Life Fund which now stands at Rs 10 28 lakhs, nearly 6 times as great as what it was 4 years ago

The assets as at 31st March 1938 have trebled in value to what they were 4 years ago The percentage to the Life Fund of government securities is 41 , of policy and automatic extension loans is 20 , of mortgage of house property 9, of secured loans to Joint Stock companies 17 and of cash 19 The average interest earned was over 5 1 per cent This goes to show that the

nature of the company's investments has been so devised that they may earn an interest of over 5 per cent

In the matter of claims the company has followed the commendable policy of prompt payments During the year claims of Rs 1 17 lakhs arose from death and Rs 1,,500 by maturity Outstanding claims at the beginning of the year were Rs 82,000 making a total of Rs 2 lakhs Rs 85,646 was paid during the year and of the balance Rs 45,310 was paid subsequently, leaving Rs 69,291 outstanding which was due to complete claim papers not having been received

(In Thousands of Rs)

	1936	1937	1938
New Business—			
Sum assured	70,20	72,86	75,24
Total Premiums	6,06	7,13	8,27
Life fund at the beginning of the year	2 77	4,74	7,01
Life fund at the end of the year	4,74	7,01	10,28
Net increase	1,97	2,27	3,27
Claims	70	1,17	1,20
Expenses	3,37	3,95	4,19
Ratio of Expenses to Premium	56 2%	53 1%	48 1%

Balance Sheet

	1936	1937	1938
Liabilities—			
Capital	1,00	1,00	1,00
Life Assurance fund	4 74	7,01	10,28
Claim outstanding	48	82	1,15
Other items	35	39	36
Total	6,57	9,22	12,79
Assets—			
Giltedge Securities	1,73	2,76	4,22
Other Approved Securities			
Total Approved Securities	1,73	2,76	4,22
Percentage of approved securities to Life fund less policy loans	45 8%	47 6%	41 2%5
Loans on Life policies	96	1,21	2,09
Other mortgages and Loans	1,00	2,31	2 66
Cash	57	94	1,94
Other items	2,31	2,01	1,88
Total	6,57	9,22	12,79

NATIONAL INDIAN LIFE INSURANCE COMPANY

(Established—1907)

Head Office—Calcutta

Although there has been a small decrease in the business underwritten in 1938 as compared with 1937 an increase in the premium income has been marked New business resulted in 3,122 policies for Rs 47,05 lakhs yielding a net new premium income of Rs 2 50 lakhs and total premium income of Rs 12 18 lakhs against Rs 11 57 lakhs in 1937 Interest, dividends and rents brought in Rs 2 79 lakhs making the total income from all sources of Rs 14 90 lakhs Claims absorbed Rs 5 30 lakhs and expenses of management Rs 4 44 lakhs, so that Rs 5 07 lakhs was added to the Life Fund which on 31st December stood at Rs 66 75 lakhs The total number of policies in force at the end of the year was 17,215 for Rs 2 54 crores sums assured with bonuses and annuities per annum The year under review was a difficult one On top of business recession the uncertainties of the effect of the new Insurance Act retarded new business Though the high mark of new business for 1937—a record year—was maintained a most pleasing feature noticeable has been the reduction by 4 1% in the expense ratio

Apart from outstanding claims which are fully provided for the total liabilities of the company are under Rs 77,000 and the assets total Rs 72 32 lakhs of which Rs 68 79 lakhs are represented by investments which are exceedingly well distributed, house property and cash, and Rs 3 28 lakhs by current outstandings considered good, making an exceedingly strong position achieved by prudence and judgment in building an insurance structure which must command respect and confidence

Life Account

(In thousands of Rupees)

New Business—	1936	1937	1938
No of Policies	3 263	3,741	3,122
Net sum Assured	50 15	55 51	47,05
Net new Premiums	2 45	2 90	2,50
Total net Premiums	10 30	11 57	12 18
Interest	2 64	2 77	2 73
Claims by death	2,13	2,30	2,31
Claims by maturities	3,17	3 06	2,58
Commission and Expenses	4,30	4,69	4,44
Life fund at beginning of year	54,86	57 30	61,68
Life Fund at year end	57,30	61 68	66 75
Increase in Fund	2 44	4,38	5,07
Ratio of expenses to Premium	41 8%	40 5%	36 5%

Balance Sheet

Liabilities—	1936	1937	1938
Capital	1 00	1,00	1 00
Life Fund	57,30	61,68	66,73
Outstanding Claims	2,79	3,30	3,27
Other Items	1,28	1 27	1,30
Total	62 37	67 25	72 32

Assets—	1936	1937	1938
Giltedge	13,47	12,76	28,83
Other approved securities	16,38	9,67	1,88
Total approved securities	29,85	22,43	30,71
Other investments	9,73	19,73	17,99
Loans on life policies	8,13	8,04	8,90
Loans and Mortgages	8,83	12,51	3,10
Cash	2,65	1,38	2,22
Other Items	3,18	3,16	9,40
Total	62,37	67,25	72,32

NATIONAL INSURANCE COMPANY LIMITED

(Established 1906)

Head Office —Calcutta

Figures from the annual report and accounts of the company for the year ended 31st December 1938 go to show that it still maintains the prudent policy which the management have kept in front of them persistently Even though there has been no yielding to temptation to underwrite anything save risks which in the ordinary course of business offer a reasonable margin of safety, new business recorded shows a steady increase During the year 12,377 proposals were received for sums aggregating Rs 2 33 crores The rest, 2,580 policies were either declined, or accepted on terms which were not agreed to by the proposers, or are awaiting completion The net annual premium income from new business after deducting reinsurances was Rs 8 92 lakhs The total premium income less reinsurance was Rs 55 45 lakhs and income from interest, dividends, rents etc amounted to Rs 12 26 lakhs making a total income of Rs 67 71 lakhs Claims, surrenders and bonuses accounted for Rs 30 09 lakhs, expenses of management Rs 16 33 lakhs, and after transferring Rs 10 lakhs to Investment Reserve Fund and providing Rs 24,000 for depreciation Rs 11 04 lakhs was added to the Life Fund which at the end of the year stood at Rs 3 06 crores

The balance sheet of the company as at 31st December 1938 discloses also the prudent policy of husbanding resources The position, as in the past, shows steady progression It is Rs 21 73 lakhs better than the previous year The Life Fund stands at Rs 3 06 crores Reserves have been increased to Rs 14 70 lakhs as against Rs 4 82 lakhs in the previous year while liabilities have been kept at the normal figure of Rs 20 81 lakhs Of the total assets, Rs 3 44 crores, approximately 95 per cent is represented by well placed investments and cash and ample reserves have been created to meet any fluctuations in value Giltedged and other approved securities total Rs 1 14 crores, debentures and shares in companies Rs 1 04 crores, loans on policies Rs 44 32 lakhs, other loans, and mortgages Rs 27 54 lakhs, house property Rs 30 61 lakhs and cash Rs 5 91 lakhs

Dividends have been paid the shareholders consistently For 1938 a dividend of Rs 30 per share free of income-tax was declared and also a special dividend of Rs 200 per share free of income-tax under Articles 152 and 153 of the Company's Memorandum and Articles of Association to be applied in satisfaction of the Call of Rs 200 per share made by the directors on 17th April 1939 and payable on 10th May 1939

Altogether both the policyholders and the shareholders should be more than well pleased with their investments in the company the position of which warrants well merited confidence

Life Account

(In thousands of Rs)

	1936	1937	1938
New Business—			
Number (actual)	7,916	9,377	9,597
Amount	1,75,22	1,69,23	1,80,67
Premiums on New Business	7,91	8,56	8,92
Total premiums	44,20	53,62	55,45
Interest and dividends	13,21	12,60	12,25
Claims by death	8,13	10,75	10,72
Claims by maturity	13,11	12,72	15,83
Expenses	13,22	14,93	16,33
Life fund at the beginning of the year	2,52,84	2,72,67	2,94,93
Life fund at the end of year	2,72,67	2,94,93	3,05,97
Net increase in life fund	19,83	22,36	11,04
Ratio of expenses to premium	29 8%	27 9%	29 5%

Balance Sheet

Liabilities—			
Capital	1,00	2,00	3,00
Life fund	2,72,67	2,94,93	3,05,97
Other funds	4,79	4,82	14,70
Total funds	2,77,46	2,99,80	3,20,67
Other items	22,56	20,95	20,18
Total	3,00,02	3,22,75	3,44,48

Assets—			
Giltedge securities	38,81	32,45	43,61
Other approved securities	47,46	46,13	70,02
Total approved securites	86,27	78,58	1,13,63
Percentage of approved securities to life fund less loans in Companies policies	37 0%	31 0%	43 4%
Other investments	99,98	1,15,10	1,03,77
Loans on Companies policies	39,44	41,62	44,32
Other loans and mortgages	25,91	25,64	27,54
House property	26,13	29,75	30,61
Cash	3,65	12,23	5,91
Other items	18,64	19,83	18,70
Total	3,00,02	3,22,75	3,44,48

Profit and Loss Account

Receipts—			
Brought in	81	2,62	1,79
Transferred from Revenue accounts	1,94	7	13
Other items	7	22	16
Total	2,82	2,91	2,08
Disbursements—			
Dividend rate %	12	12	12
Dividend amount	12	112	1,24
Allocations	8		
Transferred to Balance Sheet	2,62	1,79	84
Total	2,82	2,91	2,08

NEW INDIA ASSURANCE CO., LTD.

The report and accounts of the company for 1938 clearly point to the high sense of the responsibilities Mr Millard the General Manager has assumed, and it is most gratifying to notice that though he was left by his predecessir a remarkable record of progress in the affairs of the company he has, in his first term, gone one better showing that he is fully alive to the responsibilities and able to produce a further stage of progression in all departments If such a pace is kept up there can be no forecast of records which will certainly be created, nor of the high place the company will take in the insurance world

The fire department accounts show excellent results The net premiums amounted to Rs 32 94 lakhs and the net claims paid and outstanding to Rs 12 53 lakhs Commission, expenses of management and foreign taxes accounted for Rs 16 20 lakhs Receipts from interest and dividends brought in Rs 1 27 lakhs less income-tax As usual, a reserve of 40 per cent of the premiums was made for unexpired risks amounting to Rs 13 17 lakhs and after setting aside an additional reserve of Rs 65,000 the handsome sum of Rs 3 88 lakhs was transferred to the credit of the Profit and Loss Account

The marine account discloses that the high ratio of claims still adversely effects this department and only because commission and management expenses are kept at the low ratio of 17 per cent of the premium income it has been possible to keep the reserve within the margin of safety and at the same figure as in previous years The net premiums amounted to Rs 26 24 lakhs Receipts from interest and dividends less income-tax came to Rs 84,390 The net claims, paid and *outstanding*, to Rs 22 96 lakhs, and commission and management expenses to Rs 4 48 lakhs The reserve standing at Rs 24 3? lakhs

The surplus in the accident department Rs 1 34 lakhs was quite satisfactory, and the treatment of it by transferring Rs 1 15 lakhs of it to reserve most tellingly shows the solicitude of the management to build up an impregnable position The net premiums amounted to Rs 11 34 lakhs Interst and dividends less income-tax brought in Rs 34,600 Claims absorbed Rs 5 81 lakhs and expenses of management Rs 4 04 lakhs Of the surplus Rs 19,000 was transferred to the credit of the Profit and Loss Account and the reserve was increased by Rs 1 65 lakhs which at the end of the year stood at Rs 11 34 lakhs

Business in the life department shows the maintenance of the great confidence the company has secured During the year 8,669 proposals for Rs 2 18 crores were received Of these and the small carry over from 1937, 6,896 proposals resulted in policies for Rs 1 72 crores of which Rs 15 65 lakhs was reinsured In addition, a Leasehold Redemption Policy for Rs 6 lakhs with an annual premium of Rs 3,525 and two Immediate Annuity Bonds for a consideration of Rs 10,443 were issued The total number of ordinary policies in force on 31st December 1938 was 30,819 assuring Rs 7 79 crores recording an increase of over 3,000 policies and Rs 93 lakhs over the previous year The premium income amounted to Rs 39 12 lakhs while interest less income-tax and other receipts brought in Rs. 3 48 lakhs Claims accounted for Rs 5 23

lakhs of the income and expenses of management Rs 11 27 lakhs, so that the very handsome sum of Rs 25,52 lakhs could be added to the Life Fund which at the end of the year stood at Rs 99 25 lakhs In the course of 4 years the expense ratio has been brought down by 10 per cent a very creditable bit of work inspite of the fact that a greater volume of business was tackled

The balance sheet discloses a better position by Rs 19 lakhs over the previous year Consequently, all funds show an increase The investments and cash are over 91 per cent of the total assets Of these Rs 1 92 crores are in giltedge and approved securities and the rest have been well placed The Profit and Loss Account shows that a sum of Rs 8 92 lakhs Rs 2 lakhs more than the previous period was available for appropriation A dividend of Rs 1/6 per share free of income-tax were declared absorbing Rs 6 53 lakhs and the balance Rs 2 40 lakhs was carried forward Altogether, the showing must be most pleasing to all concerned

Fire Account

(In thousands of Rupees)

	1936	1937	1938*
Premium	29,42	21,56	32,92
Claims	13,54	8,35	12,53
Expenses	14,20		16,20
Reserve at 40% of Premium	11,77	12,24	13,17
Additional reserve	22,35	23,75	24,40
Total reserve	34,12	35,99	37,57
Ratio of claims to Premium	46%	34 %	38 0%
Ratio of expenses to Premium	45 2%	47%	49 0%
Ratio of reserves to Premium	115 9%	117 6%	11 4%

Marine Account.

	1936	1937	1938*
Premiums	21,20	19,30	26,24
Claims	17,13	18,03	22,96
Expenses	4,31	3,53	4,48
Total reserves	25,88	24,35	24,36
Ratio of claims to Premium	81 3%	93 4%	87 5%
Ratio of expenses to Premium	20 3%	18 3%	17 0%
Ratio of reserves to Premium	122%	126 2%	92 8%

Accident Account

	1936	1937	1938*
Premiums	9,37	7,51	11,35
Claims	4,28	4,37	5,81
Expenses	3,31	2,58	4,04
Reserve at 40% of Premium	375	4,04	4,54
Additional reserve	5,40	5,65	6,80
Total reserve	9,15	9,69	11,34
Ratio of claims to Premiums	45 7	58 2%	51 1%
Ratio of expenses to Premiums	35 3%	34 4%	35,6%
Ratio of reserves to Premium	97 6%	129 0%	99 9%

Life Account

	1936	1937	1938
Number of policies	71,80,80	4,313	6,899
Amount assured	1,67,00	1,01,39	1,76,96
Premium on new business	7,71	4,91	7,64
Total premiums	31,19	23,93	39,00
Claims by Death	2,59	2,48	4,31
Expenses	16,55	749	11,27
Life Fund at beginning of year	40,82	59,05	73,73
Life fund at year-end	52,06	73,73	99,25
Net increase in funds	13,24	14,68	25,52
Ratio of Expenses to Premium	33 9%	31 5%	28 9%

Balance Sheet

Liabilities—

Capital	71,21	71,21	71,21
Fire Fund	34,12	35,99	37,67
Marine Fund	25,88	24,35	24,36
Accident Fund	9,15	9,69	11,34
Life Fund	52,06	73,73	99,25
Other Reserve Funds	16,40	18,76	9,79
Amounts due to other Companies	3,71	4,40	3,66
Outstanding claims	5,04	8,89	13,33
Other Liabilities	26,51	14,10	19,61
Total	2,43,08	2,61,12	2,90,12

	1936	1937	1938*
Giltedged securities	117,05	124,42	146,71
Other approved securities	49,01	56,41	45,27
Total approved securities	166,06	180,83	191,98
Other investment	22,14	23,47	39,62
Loans on Life policies	1,40	1,97	3,54
Other Loans and mortgages	8,36	8,56	9,41
House property	52	19	19
Cash	14,87	16,36	19,56
Other items	29,68	29,74	25,82
Total	2,43,08	2,61,12	2,90,12

* Accounts for 1937 represnt only 9 Months period,ending December

THE ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE COMPANY

Though new business in 1938 was less than what is was in the peak year 1936, premium income shows an increase of over Rs 51 lakhs of that year, nowithstanding that new premium income was Rs 2 45 lakhs less New assurance effected was 53,388 for Rs 9 77 crorers less reinsurances for Rs 3 95 lakhs and 11 immediate annuities for Rs 44,716 The discrimination exercised by the company in accepting risks is evident when one reads from the directors' report that it was offered 76,140 proposals assuring an

amount of Rs 13 52 crorers, that is 22,752 proposals for Rs 3 75 crores were not considered Even then, the Chairman in his address at the general meeting sounded a note of warning to the representatives of the company that as much as a satisfactory flow of new business was appreciated there would be appreciation to a much greater extent of the measure in which that business is maintained in the books He urged them neither to persuade anyone to effect a policy which he cannot manifestly afford to maintain nor to persuade anyone to become assured for too large a sum which, considering his financial resources, he cannot hope to maintain after a few instalments of premiums have been paid, thus involving all concerned in avoidable loss Fairness and clean business morality could not go further

The total premium income of the company for the year together with consideration for annuities granted and for deferred annuities amounted to over Rs 3½ crores Interest income less tax was Rs 97 18 lakhs and other receipts totalled Rs 52,000 making a total income of over Rs 4 47 crores Claims by death absorved Rs 62 78 lakhs and by maturity Rs 77,04 lakhs Surrenders amounted to Rs Rs 14 22 lakhs and Rs 1 90 lakhs represented bonuses in cash to policyholders and in reduction of premiums There was a loss of Rs 1 85 lakhs on exchange Income and super tax accounted for Rs 7 17 lakhs and depreciation and writing down of investments and house property for Rs 1,81 lakhs Expenses of management came to Rs 76 86 lakhs, leaving a surplus of Rs 1,75 crores which was added to the Life Fund which at the end of the year stood at Rs 23 08 crores

This is a result which cannot be viewed but with pride and achieved in spite of the fact that the aggregate amount of business which lapsed was somewhat greater than usual, due to a great extent to the inability of many policyholders to keep up their policies on account of a diminution in their income The ratio of actual deaths to those expected and provided for by the mortality basis adopted at the last valuation is 49 per cent only fractionally higher than the percentage of the previous year, namely, 48 7 per cent and lower than the figures for 1936, namely, 50 6 per cent It is thus evident that the profit-earning capacity of the company continues to be as great as ever The ratio of expenses of management works out to 20 per cent the lowest for the last 20 years

The balance sheet position has been improved by nearly Rs 2 crores over that of 1937 and by nearly Rs 4 crores over that of 1936 Claims and liabilities have remained normal, thus clearly showing that that benefit of the increased position is reflected in the Life Fund Giltedged securities (government paper) stand at over Rs 18 19 crores and bonds (trustee securities) and debentures at over Rs 1 56 crores All these are terminable and therefore, are of considerably more value than what has been taken credit for The net yield of the Life Fund is 4 50 per cent which in present market conditions is most satisfactory even though considering the impossibility of investing new money except at very low rates of interest The excess of the market value of the securities over the book value is Rs 2 59 crores

The usual dividend and staff bonus was declared Altogether the years results show that the company has maintained and improved its position of great strength in the insurance world and this must be a source of very great satisfaction to all concerned particularly when many adverse factors had to be faced and overcome during the year

(In thousands of Rs)

	1936	1937	1938
No of policies issued	56,296	55,228	53,399
Sum Assured	10,26,30	9,97 94	9,72,94
Premium from new business	57,90	54 93	55,45
Total premium income	2,99,10	3,27,45	3,50,12
Interest	82,34	90,41	97,18
Claims by death	56,49	57,79	62,78
Claims by maturity	62,95	69,62	77,04
Commission and expenses	68,45	75,04	76,86
Life Fund at beginning of year	16,62 22	19,20,88	21,08,39
Life Fund at end of year	19,20,88	21,08,39	23,08,19
Ratio of expenses to premium	22 9%	22 9%	22%
Dividend rate % per annum	62½	62½	62½

Balance sheet as at 31st December

Liabilities—			
Capital (paid up)	6,00	6,00	6,00
Funds—			
Life Assurance Fund	19,20,88	21,08,39	23,08,19
Contingencies Reserve Fund	5,99	6,07	6,07
Investment Reserves			
Building Fund	2,58	2,75	2,22
Total	19,29,45	21,17,21	23,22,48
Claims	40,39	45,78	43,61
Sundry liabilities	28,16	30,06	33,57
Total	20,04,00	22,00,05	23,99,66

Assets—			
Investment—			
Giltedge (Government Paper	15,00,12	16,62,94	18 19,53
Bonds (Trustee Securities and debentures	1,40,79	1,51,38	1,56,40
Outstanding balances	2,78,58	3,00,76	3,28,63
Cash	29,90	19,22	16,86
Fixed Assets	54,61	65,75	68,65
Total	20,04,00	22,00,05	23,99,66

TRITON INSURANCE COMPANY

The Directors' Report and accounts for the year ended 31st December 1938 discloses that the company has not only had its fair share of business and maintained the very sound position it had built up, but it has been able to add Rs 3 38 lakhs to the total reserves which stand at Rs 39 38 lakhs Premium income Rs 8 34 lakhs was about the same as dast year and outgoes Rs 3 30 lakhs in losses was Rs 80,000 less than the year before Interest and transfer fees brought in Rs 1,99 lakhs While commissions an dexpenses of management accounted for Rs 4 05 lakhs leaving a surplus of Rs 2 96 lakhs which was transferred to the credit of the Profit and Loss Account To this sum was added Rs 51,000 the carry over from the previous year and Rs 1,875 profit on realisation of investments, making a total of Rs 3 49 lakhs available for appropriation Against this Rs 25,265 was paid in Income and Super-Tax, Rs 50,000 was added to the Underwriting Suspense Account A dividend of 40 per cent to shareholders free of income-tax was declared absorbing Rs 2 30 lakhs and the balance Rs 43,847 was carried forward

The clean presentation of the accounts the strengthening of the Reserves from year to year, and the maintenance of a dividend at the very flattering rate of 40 per cent per annum for a number of years are the plainest of indications that underlying this result must be a most efficient and capable management

Amongst the liabilities shown in the balance sheet nearly 88 per cent of the total is represented by Reserves and the paid-up capital and amongst the assets over 93 per cent is represented by gilt-edged securities and cash The balance, under 7 per cent are outstandings which are recoverable

No fixed or fictitious assets appear in the balance sheet so that it is clear this is one of the very few companies whose assets and reserves are fully the 100 per cent calue they are shown at The position is immnesely strong and it can face the future in great security with the greatest confidence

Net Premium Income

	Rs
1931	6,91,161
1932	6,51,811
1933	6,56,797
1934	7,25,190
1935	8,02,893
1936	8,08,410
1937	8,45,974
1938	8,33,842

The total reserves amount to Rs 36,00,000 The reserves are made up as under

	Rs
General Reserve for exceptional losses	26,75,000
General Reserve Fund	4,50,000
Accident Reserve Fund	1,00,000
Underwriting Suspense Account	4,12,619
Reserve against depreciation of investments	3,00,000
	39,37,619

Revenue Account

(In thousands of Rs)

	1936	1937	1938
Premiums	8,08	8,46	8,34
Claims	4,12	4,10	3,30
Expenses	3,41	3,48	4,06
Reserve Funds	35,25	3,58	3,37
Ratio of Claims to Premiums	39 2%	51 0%	39 5%
Ratio of Expenses to Premiums	45 3%	42 2%	48 6%
Ratio of Reserves to Premiums	401 6%	436 3%	47 2%

B lance Sheet

Liabilities—	1936	1937	1938
Capital	5,75	5,75	5,75
General Reserve Fund for exceptional losses	26,75	26,75	26,75
Other Reserve Fund	8,50	8,50	8,50
Underwriting Suspense Account	4,41	4,16	4,13
Debts due by the Company	4,72	4,21	3,56
Other items	3,22	2,91	2,78
Total	53,35	52,28	51,47

Assets—

Giltedged securities	43,93	44,13	47,46
Other stocks and shares	4,52	4,50	
Cash	95	62	81
Other items	3,95	3,30	3,20
Total	53,35	52,28	51,47

Profit and Loss Account

Receipts—

Brought forward	69	84	51
Other items	3,24	3,05	3,98
Total	3,93	3,89	3,49

Disbursements—

Dividend	2,30	2,30	2,30
Dividend Rate	40%	40%	40%
Other items	79	1,08	75
Carry forward	84	51	44
Total	3,93	3,89	3,49

THE UNITED INDIA LIFE INSURANCE CO., LTD.

(Established 1906)

Head Office MADRAS

In concluding his speech at the 33rd Annual General Meeting when presenting the directors report and accounts for 1938, the Chairman paid a well-merited tribute to the officers, members of the staff and field workers for the good work done by them. This is prominently reflected in the results achieved during the year out-stripping all previous records. The steady expansion in the business of the company goes to show that it has gained that confidence which makes possible the creation of record after record as year succeeds year. During the year the company received 10,185 proposals for a small amount short of Rs. 2 crores. Acceptance of 8,326 brought in new business of over Rs. 1½ crores—an increase of Rs. 30 lakhs over the previous year. Consequently, the the annual premium income and total business in force showed a marked growth. The premium income of the company in four years has increased by over Rs. 10 lakhs. The total business in force at the end of the year including bonus additions stood at Rs. 5.73 crores of which Rs. 1.06 lakhs was reinsured. The policyholders' trust fund was increased by over Rs. 15 lakhs amounting to the substantial sum of Rs. 1.11 crores.

The revenue account show total receipts from premiums, interest, extension and other fees amounted to Rs. 31.32 lakhs recording an increase of nearly Rs. 3 lakhs over the preceeding year. Of this revenue claims accounted for Rs. 9.08 lakhs and expenses of management Rs. 9.38 lakhs which, inspite of it being on the heavy side, permitted an addition of Rs. 12.11 lakhs to the life fund which at the end of the year stood at Rs. 1.04 crores. The incidence of the high expenses ratio should cause no misgivings whatsoever for due consideration must be given to it having been necessary owing to the steady expansion of business accompanied in a large measure to the constant and increased attention paid to the enlargement, both extensively and intensively, of the company's organisation in the various provinces in India and in Burma and Malaya. As soon as this ground work is consolated there will certainly be a reflexion in a lower expense ratio and the future prosperity of the company built on a firmer and more enduring foundation.

The balance sheet position of the company in 1938 has improved by over Rs. 14 lakhs, which as usual discloses a very clean sound position. Investments have been distributed most judiciously and with cash represent 94.6 per cent. of the total assets. Liquid assets are more than ample to meet liabilities and the investment reserve is quite sufficient to withstand any loss in adverse fluctuations of the investments. The interest yield, though causing some anxiety owing to the provisions of the new Act in this regard, is still quite flattering and undoubtedly ways and means will be found to continue this experience while complying with these provisions. This Madras company has now established a reputation of soundness and it will surely occupy a high niche in the insurance world.

(In thousands of Rs.)

New Business—

	1936	1937	1938
Number	6,388	7,715	8,326
Amount	90,08	1,22,63	1,53,62
New Premiums	4,47	566	5,83
Total Premiums	21,56	26,15	28,90
Claims	5,12	5,94	9,08
Commission and Expenses	6,88	8,34	9,38
Life Fund at the beginning of the year	76,61	91,78	91,78
Life Fund at end of the year	63,31	76,61	1,03,89
Net increase in the Fund	13,31	15,16	12,11
Ratio of Expenses to Premium	31.9%	31.9%	32.0%

Balance Sheet

Liabilities—			
Capital	80	80	80
Life Fund	76,62	91,78	1,03,89
Investment Reserve Fund	5,79	3 73	3,78
Outstanding Claims	3,02	3,29	4,75
Other items	5,74	4,41	4,99
Total	91,97	1,04,01	1,18,21

Assets—	1936	1937	1938
Giltedge Securities	24,66	29,51	40,88
Other Approved Securities	6,27	10,46	6 08
Total approved securities	30,93	39,97	46,88
Percentage of approved securities to Life Fund less Policy Loans	48 3	51 2	45 08
Other Investments	1,83	2,47	10,31
Loans on Companies Policies	12,55	13,68	15,90
Mortage Loans	14,44	12,73	11,40
Building & House Property	7,08	13,16	8,75
Cash & Deposits	16,48	19,07	13,75
Other Assets	13,07	8,25	6,23
Total	91,97	104,04	1,18,21

WESTERN INDIA LIFE ASSURANCE

(Established—1913)

Head Office SATARA CITY

In spite of consistent complaints that there was retrogression of business in 1938, for one reason or another—the most promi- one reason or another—the most prominent being, that a certain amount of alarm had been created by the advent of new insurance legislation, this company has, as usual forged ahead with new business, and has forged ahead with more new business than it had underwritten in previous years 8,634 proposals for Rs 1 02 crores were offered to the company of which 7,367 resulted in policies for Rs 85 25 lakhs as against 5,716 policies for 67 35 lakhs in the previous year Income from premiums registered an increase of Rs 2,31 lakhs over the previous year, amounted to Rs 20 79 lakhs Investments, rents, and other receipts brought in Rs 4 90 lakhs Outgoes were claims Rs 5 42 lakhs, expenses of management Rs 5 27 lakhs and sundry other adjustments Rs 55,000 which rendered possible the addition of Rs 14 45 lakhs to the Life Fund which at the end of the year stood at Rs 96 90 lakhs

The balance sheet position, sound as it was formerly, was improved by Rs 16,60 lakhs during the year Cash and investments are over 96 per cent of the total assets, and these are further strengthened by the reserve funds of Rs 6 32 lakhs, and the fact that the market value of the investments on 31st December was Rs 1 02 crores while they cost Rs 87 45 lakhs as shown in the balance steet on that date, the appreciation Rs 14 55 lakhs has not been taken credit for and which forms a reserve of great considerable strength The expense ratio is moderate and the investment yield of 4 82 per cent most satisfactory

With a display of such pleasing results there is nothing to wonder at that the company has enjoyed a very fair measure of confidence which must surely increase while the management continue the sedulous and judicious policy they have been persuing

(In thousand of Rs)

New Business—	1936	1937	1938
Number	5,732	5,716	7,367
Amount	66,41	67,35	85,25
New Premiums	3,38	3,70	4,84
Total Premium	16,11	18,48	20,79
Claims	3,54	4,62	5,42
Expenses and Commission	4,24	4,59	5,27
Life fund at the beginning of the year	60,43	70,69	82,45
Life fund at the end of the year	70,69	82,45	96,90
Net increase in fund	10,26	11,76	14,45
Ratio of Expenses to Premiums	26 3%	24 9%	25 3%

Balance Sheet

Liabilities—			
Capital	68	68	68
Life fund	70,69	82,45	96,90
Reserve funds	6,37	6,35	6,32
Outstanding claims	2,10	1,98	2,43
Other liabilities	3,36	4,16	5,89
Total	83,20	95,62	1,12,22
Giltedged securities	6,01	7,50	11,52
Other approved securities	12,87	15,37	20,66
Total approved securities	18,88	22,87	32,18
Percentage of approved securities to Life Fund *less* Policy Loans	29 9%	31 3%	33 2%
Other Investments	49,37	55,00	55,26
Loans on Life Policies	7,50	9,45	11,80
Other Loans and Mortgages	8	28	2,08
House Property and Buildings	44	3,58	5,14
Cash	1,19	77	1,62
Other Items	5,74	3,72	4,14
Total	83,20	95,62	1,12,22

ZENITH LIFE ASSURANCE CO

Although the annual report and accounts for 1938 do not record any spectacular increase in business, the quality undoubtedly is good, which shows the prudence exercised by the management, who have made this an outstanding feature of their policy Nevertheless these documents reveal an increased premium income, an improvement in the balance sheet position by Rs 2 41 lakhs, and a decrease of over 3 per cent in the expense ratio Such results can only be viewed as exceedingly satisfying New proposals, 1950 in number for Rs 36 72 lakhs were offered, of which 1755 resulted in policies for Rs 32 82 lakhs Income from premiums amounted to Rs 7 05 lakhs from interest on investments, loans etc to Rs 77,262 and from rent etc Rs 17,813, making a total of Rs 8 lakhs This was offset by death claims Rs 1 23 lakhs, matured claims Rs 51,171, surrenders and annuities Rs 22,039, commission and expenses of management Rs 3 25 lakhs and sundry adjustments Rs 44,027 leaving a balance of Rs 2 35 lakhs to be added to the Life Fund which on 31st December reached Rs 22 09 lakhs The expense ratio still remains on the high side even though it is clearly discernable that serious efforts are being made to reduce this Yet, it must be remembered that the entire management and organisation evpenses have been debited to the revenue account and as no part of these expenses have been capitalised, as is usually done, to be written off in future years This procedure necessarily reflects on the high expenses ratio, but on the other hand, it has the most desirable effect of showing a clean and solid balance sheet position

The assets of the company at 31st December total Rs 24 80 lakhs of which over 93 per cent is represented by well placed investments and cash In their report the directors mention that though the new Insurance Act requires 55 per cent of investments to be in government and approved securities, these according to the balance sheet are 63 per cent while investments in property and land are 11 per cent and in first mortgages, debentures and shares 15 per cent, the rest in policy loans The general reserve stands at Rs 21,000 and during the year Rs 10,000 was added to the investment reserve fund which on 31st December stood at Rs 15,000 Thus the position of the company is solid and its liabilities are amply covered

(In thousands of Rs)

New Business—	1936	1937	1938
No of Policies	1,909	1,804	1,755
Sum Assured	33,21	33,47	32,82
Premium on new business	1,33	1,28	1,26
Total Premium	6,21	6,67	7,05
Claims by death	98	1,18	1,23
Claims by maturities	6 55	60	73
Commission and Expenses	3,22	3,33	3,25
Life Fund at beginning of year	14,88	17,71	19,74
Life Fund at year-end	17,71	19,74	22,09
Increase	2,83	2,03	2,35
Ratio of Expenses to Premium	51 1%	49 9%	46 2%

Balance Sheet

Liabilities—			
Capital	50	50	50
Life Fund	17,71	19,74	22,09
Reserve Funds	13	26	36
Outstanding Liabilities and Claims	1,40	1,77	1,76
Premiums Deposits	7	12	9
Total	19,81	22,39	24,80
Assets—			
Giltedge Securities	8,38	9,15	8,57
Other Approved Securities	4,91	4,91	4,91
Total Approved Securities	13,29	14,06	13,48
Percentage of Approved securities to Life funds less policy Loans	68 8	78 6	68 7
Other Stock Exchange Investments	1,38	87	3,01
Loans on Companies polcies	1,59	1,85	2,47
Mortgage and other Loans	17	98	1,02
Building and House Properties	1,56	2,32	2,29
Cash	56	54	99
Other Assets	1,26	1,77	1,54
Total	19,81	22,39	24,80

BANKING IN 1938-39

Reference was made on the last occasion to the depressed conditions in the industries and the trade on account of the deflationary policy of the Government of India and the lower level of activity over the whole of the world in general At the same time the hope was expressed that there was a possibility of recovery in industrial and stock exchange activity in this country and that banks would be enabled to earn greater profits The hope expressed has been in vain as owing to the diminution in the amount of foreign trade and the uncertainty regarding the future on account of the unsettled political situation bank profits have continued to be on a reduced scale though there has been a considerable improvement in recent months It would be remembered that the latter half of 1937 was a period of declining activity and there was a sharp decline in bank profits There was not much of improvement in the first six months of 1938 but the latter half of 1938 witnessed a slight recovery The improvement in profits was very significant, the total of five important banks being Rs 70 01 lakhs against Rs 62 89 lakhs for the corresponding period in 1937 or an increase of over Rs 7 lakhs That the recovery has continued to be in evidence during the first six months of this year will be clearly evident from the profits for the first half of this year

The aggregate profit for the whole group is Rs 68 33 lakhs against Rs 70 55 lakhs in the first half of 1938 and Rs 72 26 lakhs in the corresponding period in 1937 At first sight it would look as if there has been a retardation in the progress but the profits have been mainly affected by the decline in profits in the case of one bank The increase in profits in the case of the Imperial Bank of India has again been due to the higher rate on Treasury Bills In the case of other banks there has been an increase in the amount of advances

Thus, the progress of indigenous banks has to be considered satisfactory in view of the difficult conditions prevailing in the country That the progress of Indian banking has been unaffected by the crisis in Southern India and the difficult conditions in the country has been amply demonstrated by the further increase in deposits of the important banks and the increase in advances

The Reserve Bank's report for the year 1938 was necessarily more concerned with the changes in the Bank's own affairs than in portraying the financial situation of India during the year Although no decisive changes have taken place in the monetary policy of the country, the position of the Reserve Bank as the custodian of the Government's financial interests invests the report with a special importance The issue of currency notes for India and Burma bearing the Governor's signature signalised as a departure from previous financial practice in India, and the appearance of Treasury Bills on which the autonomous provincial governments borrowed for their short-term requirements was an event of more than ordinary interest to the Indian money market The provision of ways and means advances to the provinces for temporary purposes was a new task undertaken by the Reserve Bank Since the Reserve Bank continues to prepare a report similar to the Controller of Currency's annual report, only a superficial treatment of the economic situation at home and abroad is attempted The report bears witness to the influence of adverse conditions on India's trade and industry, though these were obviously less exposed than agriculture to the world wide recession

So far as the bank is concerned though the note circulation showed considerable variation and the banking department's investments showed marked changes, the most arresting feature was a substantial recovery in profits, indicating that the setback noted in the last report has proved temporary and after payment of the 3½ per cent dividend the sum of over Rs 20 95 lakhs was to be paid to the Central Government

The paragraph relating to gold purchases on account for its correspondents abroad is of special interest. The gold purchased was not exported but held ear marked for the purchasers, the total amount being 920,000 tolas valued at Rs 3,39,78,000. The revival of hoarding abroad owing to the post-crisis developments in sterling exchange did not result in any increase in the total volume of Indian exports in the year, totalling as they do Rs 15.6 crores as against Rs 18.28 crores in 1937.

In the chronicle of the movements of the rupee exchange, due reference is made to the contraction in merchandise and treasure exports from India, and its bearing on sterling purchases and remittances of the Bank. The transfer of sterling securities from the Issue department to the Banking Department made to meet Government demands in excess of sterling purchased is reflected in the decline in the Bank's investments in sterling securities. The proportionate decline in the balances held abroad points to the difficult experience in the maintenance of the statutory ratio.

Thus the progress of indigenous banking has to be considered satisfactory. Any discussion of the banking conditions in India in 1938-39 cannot be complete without a reference to the growing consciousness regarding the need for a Banking Act. In the last review it was pointed out that the healthy progress of the Indian Banking system was marred by the failure of the Travancore National & Quilon Bank Limited. It was pointed out that more than the dissolution of the bank the problems arising from the failure of the bank are of importance at the present moment. The function of the Reserve Bank with regard to scheduled bank is being sought to be defined. There should be closer relationship between the scheduled bank and the Reserve Bank and scope of the functions should be more clearly defined. Also clarity is needed as to the amount of control which the Reserve Bank can exercise over institutions which have registered offices outside British India. A protection of interests of the various constituents is primarily necessary. These and other problems point to the need for a Bank Act. It is now definitely reported that the Reserve Bank is contemplating the provisions of a new banking act. Certain provisions of the Act have been reported in the press but in the absence of any official announcement it would be too early to pass any definite opinion.

BANKING SECTION:

REVIEWS OF BALANCE SHEETS

(OF THE MORE IMPORTANT BANKS DOING BUSINESS IN INDIA)

RESERVE BANK OF INDIA

The Reserve Bank of India was inaugurated on April 1, 1935 The Bank took over the control of the Issue Department from Government and the management of Public Debt and Government accounts from the Imperial Bank of India on April 1, 1935 It was, however, not till July 4, 1935 that the Bank assumed one of its most important functions as a Central Bank by announcing the first official contact officially with the scheduled banks This was accomplished on July 5, 1935 the date on which the scheduled banks lodged their statutory deposits with the Bank in accordance with the provision of Section 42 of the Reserve Bank of India Act

The Capital paid-up is Rs 5 crores in shares of Rs 100 each The net profit, after payment of expenses of administration and provision for sundry liabilities and contigencies for the year ended December, 1938 amounted to Rs 38,45,137 as against Rs 27,91,200 for the previous year

A sum of Rs 17,50,000 was utilised for payment to shareholders of a dividend at the rate of 3½ per cent per annum being the cumulative rate fixed by the Governor-General-in-Council in accordance with Section 47 of the Reserve Bank of India Act, 1934 The surplus of Rs 20,95,137 was paid to the Governor-General in accordance with said section

The Reserve Bank of India rate continued unchanged throughout the year at 3 per cent per annum, at which level it had been fixed on the 28th November, 1935 At the beginning of the year owing to the decline in the volume of trade the seasonal firmness in money rates was not in evidence to any appreciable extent and the interbank call rate was quoted at ½ to ¾ per cent

The Reserve Bank's note circulation reached its peak of Rs 190 81 crores on the 11th March, being Rs 6 6 crores less than the maximum circulation of 1937 The advances of scheduled banks reached their maximum of Rs 125 crores in April and in the same month their balances with the Reserve Bank reached their lowest at Rs 12 crores At the end of May the call rate fell to ½ per cent The end of June saw an upturn in commodity markets and foreign trade, and although this did not immediately affect money rates, the scheduled banks' cash balances from that month have been consistently lower than in the previous year

The average rate, for Central Govt treasury bills during the year was Rs 1-4-10 as compared with Re 0-14-4 in 1937 The total amount of treasury bills sold to the public by the Central Govt by tender and by intermediates was Rs 88,70,000 in 1938 against Rs 69,98,50,000 in the preceding year

The easiness of money and the lead given by the London securities market led to a general strengthening of giltedged prices in the early months of the year In January 3½ per cent Rupee paper fluctuated between Rs 98-2 and Rs 98-11 with a steady undertone Seasonal setback in India caused a slight set-back to Rs 97-6-0 in February In August Rupee paper reached the high level for the year of Rs 99-8-0 The international crisis brought about a sharp decline in the latter half of September Rupee Paper declined to Rs 93-4-0 On the 27th, with the worsening of the situation, there was a heavy fall to Rs 90-12-0 on nervous selling in sympathy with the London market Thereafter prices were maintained until the end of the year, the closing price on the 30th December being Rs 98-3-0

The cumulative effect of the decline in the exports of merchandise and of gold made itself felt on the course of the rupee-sterling exchange in the period under report During the first three months of the year owing to the seasonal tightness of money and the activity in the export markets the exchange was steady at 1s

THE

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1853)
(Liability of Shareholders Limited)

With which is Affiliated THE ALLAHABAD BANK, LD.

CAPITAL	£3,000,000
RESERVE FUND .	£3,000,000

Head Office

38, BISHOPSGATE, LONDON, E.C. 2

London Branches { 117/122, Leadenhall Street, London, E.C. 3
14/16, Cockspur Street, London, S.W. 1

BRANCHES

Alor Star (Malay States)	Cawnpore	Ipoh	New York	Sitiawan (F M S)
Amritsar	Cebu	Karachi	Peiping (Peking)	Sourabaya
Bangkok	Colombo	Klang	Penang	Taiping (F M S)
Batavia	Delhi	Kobe	Rangoon	Tientsin
Bombay	Haiphong	Kuala Lumpur	Saigon	Tongkah (Bhuket)
Calcutta (2 Offices)	Hamburg	Kuching	Seremban	Tsingtao
Calicut	Hankow	Madras	Shanghai	Yokohama
Canton	Harbin	Manchester	Singapore	
	Hongkong	Manila		
	Iloilo	Medan		

CURRENT DEPOSIT ACCOUNTS opened and FIXED DEPOSITS received on terms which may be ascertained on application.

Calcutta Offices :

1/1, Clive Street
D. R. KINLOCH, *Agent*

1, Fairlie Place (P. & O. Bank Branch)
J. E. MOIR, *Agent*

6 3/32d, rising occasionally upto 1s 6⅛d The Reserve Bank was able to purchase its sterling requirements by tender at 1s 6⅛d, the total purchases effected in these months being £13,097,000 At the beginning of April the market was quiet and there was an appreciable decline in the amount of sterling tendered to the Bank On the 13th of this month the Reserve Bank accepted tenders to the amount of £10,000 at 1s 6 3/32d, a drop of 1/32d on the previous accepted rate This was followed by an immediate decline in the market rates, and though in the following week tenders at 1s 6d were rejected, and at the beginning of May the Reserve Bank suspended purchases by tender altogether, rates continued to fall and touched the statutory lower point of 1s 5 49/64d in the first week of June The Government of at this time announced their decision to maintain the rate at 1s 6d as a result of which there was a slightly steadier feeling in the market The improvement in general business outlook at the end of this month led to a marked change of sentiment in the exchange market and in July the rate gradually settled down at 1s 5 29/32d, 1/32d below the Reserve Bank's tap rate Thereafter owing to the improvement in India's balance of trade, the rupee exchange remained on the whole steady, until the close of the year, varying between 1s 5 13/16d and 1s 5 15/16d

The total amount of sterling purchased by the Bank during the year was £19,058,000 as compared with £33,916,000 in 1937 As the former account was insufficient to meet Government's sterling requirements, which amounted to £36,010,000 during the year, the Reserve Bank had to transfer sterling securities amounting to £15,605,000 from its Issue to its Banking Department contracting its cash balances correspondingly In the month of December forward exchange rates weakened, the fall being further aggravated by speculative forces, and the Government of India issued another press communique repeating their decision to maintain the exchange at the present statutory rate Towards the close of the month with the increasing demand for money, the ready rate grow firmer, and and the Bank were able to effect purchases at their tap rate of 1s 5 1/16d

Despite the general recession in the first half of the year, the demand for money continued reasonably active throughout and the scheduled banks on the whole were working on a lower cash ratio than in 1937 Towards the end of the year there was a definite increase in the credit requirements of trade and industry and the ratio of total cash and balances with the Reserve Bank to total liabilities fell to 8 05 per cent as compared with 11 6 per cent at the end of the previous year The steady development of the scheduled banks maintained during the last three years was unfortunately marred by a local banking crisis in South India at the end of June, following upon the closure of the Travancore National and Quilon Bank It is satisfactory to note that in spite of this setback the total advances and discounts of the scheduled banks rose from Rs 114 87 crores at the end of 1937 to Rs 118 91 crores at the close of the period under review The demand and time liabilities of the banks also continued to grow except in the case case of the banks affected by the crisis

(Issue Department)

(000's omitted)

	1936	1937	1938
	Rs	Rs	Rs
Liabilities—			
Notes held in the Banking Department	11,87 35	29,32 58	18,43 69
Notes in circulation	191,99,37	185,37,05	1,8799,60
Total	203,86,72	214,69,63	206,43,29
Assets—			
Gold coin & bullion			
Held in India	41,55,19	41,54 53	41,54,53
Held outside India	2,86,98	2 86,98	2 86,98
Sterling securities	71,51,05	80,30 70	59,50,02
Rupee Coin	64,75,67	62,56,45	70,19,37
Government of India Rupee securities	23,37,83	27,40,97	32,32,39
Internal bills of exchange and other Commercial Paper	Nil	Nil	Nil
Total	203,86 72	214,69,63	206,43,29

(Banking Department)

(000's omitted)

	Rs		Rs
Liabilities—			
Capital	5,00,00	5,00,00	5,00,00
Reserve Fund	5,00,00	5,00,00	5,00,00
Deposits			
Government	7 14,[illegible]2	9 76 31	11,18,53
Banks	15,86,70	20 16,39	12,17 46
Others	27.61	126,43	84,34
Bills payable	8,81	11,65	8 78
Other liabilities	70,06	56,37	86,87
Total	34,07,31	41,87,15	35,15,98

THE BANK OF MYSORE, LTD.

(Bankers to the Government of H. H. The Maharaja of Mysore)

AUTHORISED CAPITAL	Rs.	20,00,000
SUBSCRIBED AND PAID-UP CAPITAL	,,	20,00,000
RESERVE FUNDS	,,	26,50,000

Head Office AVENUE ROAD, BANGALORE CITY

Local Offices FORT, BANGALORE CITY and C & M STATION, BANGALORE

BRANCHES

Arsikere	Chickmagalur	Davangere	Kolar	Sagar	Tiptur
Channapatna	Chintamani	Hassan	Mysore	Saklaspur	Tumkur
Chickballapur	Chitaldroog	Krishnarajnagar	Oorgaum	Shimoga	

London Agents **THE EASTERN BANK, LTD**

CURRENT ACCOUNTS opened and interest allowed at 1% per annum upto Rs 1 lakh

LOANS AND CASH CREDITS are granted on approved securities

FIXED DEPOSITS for Six and Twelve months received at rates which may be ascertained on application

THRIFT DEPOSIT ACCOUNTS are opened and interest allowed at 2½% per annum upto Rs 5,000

Banking Business of every description transacted

F. L PERADON,
Manager

MERCANTILE BANK OF INDIA, LIMITED

(INCORPORATED IN ENGLAND)

Authorised Capital	**£3,000,000**	**Paid-up Capital**	**£1,050,000**
Subscribed ,,	**£1,800,000**	**Reserve Fund**	**£1,075,000**

LONDON BANKERS

THE BANK OF ENGLAND and THE MIDLAND BANK LTD

HEAD OFFICE

NO. 15, GRACECHURCH STREET, LONDON, E C. 3.

BRANCHES and AGENCIES

Calcutta	Madras	Penang	Kuala-Trengganu	Bangkok
Howrah	Rangoon	Singapore	Kota Bharu (Kelantan)	Hong Kong
Delhi	Colombo	Ipoh (F M S)	Kuantan (Pahang)	Shanghai
Simla	Jaffna	Kuala Lumpur (F M S)		Mauritius
Karachi	Kandy	Kuala Lipis (F M S)		New York (U S A)
Bombay	Galle			

The Bank transacts banking business of every description throughout the world Current Accounts opened

FIXED DEPOSITS

Deposits are received for fixed periods on terms which may be ascertained on application

Savings Banks Accounts opened at DELHI, SIMLA and HOWRAH

The Bank undertakes Trusteeships and Executorships

N WILKS, *Manager*

Clive Buildings, 8, Clive Street, CALCUTTA

Howrah Agency—11, Grand Trunk Road, MAIDAN

	1936 Rs	1937 Rs	1938 Rs
Assets—			
Notes	11,87,35	29,32,59	18,43,69
Rupee coin	6,31	4,68	3,79
Subsidiary coin	2,85	3,79	6,40
Bills discounted			
Internal	Nil	Nil	Nil
External	Nil	Nil	Nil
Government of India Treasury Bills	Nil	Nil	Nil
Balances held abroad	14,86,22	3,63,76	8,26,46
Loans and Advances to the Government	Nil	2,00,00	1,[illegible]4,09
Other loans and Advances	39	2,00	10,50
Investments	6,16,31	6,24,08	5,26,16
Other assests	1,07 87	56,25	78,89
Total	34,07,31	41 87,15	35,15,98

* Includes Cash and Short-term securities

IMPERIAL BANK OF INDIA

The Imperial Bank of India was constituted by special legislation in 1920 by the amalgamation of the three presidency banks and commenced business in January, 1921 Since the inauguration of the Reserve Bank of India in April 1, 1933, it is no more the Government's bank in the sense it was before The Reserve Bank of India commenced operations in April 1, 1935, when it assumed control of the Government Currency Offices and Public Debt Offices and took over the Public Accounts Departments of the Imperial Bank in Bombay, Calcutta, Delhi, Madras and Rangoon Elsewhere the Imperial Bank continues to conduct the Government Treasury business as agents of the Reserve Bank With the coming into force of the Imperial Bank of India Amendment Act on 1st April, 1935, advantage was taken of the removal of restriction on business to establish Executor and Trustee Departments at the three local Head Offices and to expand the scope of the business in accordance with the extended Charter

Profits have increased from Rs 72,87,347 to Rs 78,87,438 Rs 2 5 lakhs against the same previously has been transferred to Reserve Fund, Rs 70,000 against Rs 38,600 has been transferred to Pension Funds and Rs 2,50,000 against the same to Premises Account Cash and other balances have declined from Rs 13,43,19,121 to Rs 8,98,97,841, also investments from Rs 47,63,70,811 to Rs 43,73,52,876 Dividend has been maintained at 12 per cent per annum and the amount carried forward is Rs 30,40,043 against Rs 30,41,606 at the end of the previous year

The Imperial Bank Advance Rate remained unchanged at 3 per cent Money, especially towards the end of the period, has been in somewhat better demand, with supplies rather more restricted The advances and internal bills discounted in India and Burma of the scheduled banks, which were Rs 122 crores on 1st July, 1938 fell to Rs 105 crores in the middle of November, but recovered to Rs 119 crores at the end of December Deposits with the Scheduled Banks in India and Burma rose during the half-year from Rs 235 crores to Rs 239 crores

The exports of gold during the half-year ended December, 1938, have been on a slightly reduced scale when compared with the corresponding period of 1937, while imports of silver have also declined The net export was about Rs 8 crores Sterling exchange rates have, on the whole, remained steady, especially for the ready position

Government securities were steady until September, during which month the political crisis in Europe caused wide fluctuations in both Indian and British Government Security prices The market recovered immediately, however, on news of the Munich Agreement and prices closed only slightly lower on the latter half of 1938 although, with the political outlook still uncertain, the undertone at the end of December was distinctly easier than at the beginning of July The average yield on Government of India Treasury Bills was Re 1-3-5 per cent per annum as compared with As 12-4 per cent per annum during the latter half of 1937 Year ending December

(000's omitted)

	1938 Rs	1937 Rs	1936 Rs
Liabilities—			
Capital	5,62,50	5,62,50	5,62,50
Reserves	5,55,00	5,50,00	5,50,00
Deposits	81,50,95	81,08,07	78,79,50
Sundries	40,77	42,13	38,13
Profit & Loss Account	30,40	30,41	28,03
Total	93,39,62	92,93,16	90,58,16
Assets—			
Cash & other Items	8,98,98	13,43,13	8,56,41
Investments	43,73,53	47,63,70	52,58 58
Loans and Cash Credit	32,74,09	23,37,50	21,97,21
Bills discounted	5,55,61	5,99,32	4,78,81
Dead Stock	1,98,78	2,08,99	2,22,82
Sundries	38,03	40,36	44,42
Total	93,39,62	92,93,16	90,58,16
Percentage of Capital & Reserve to deposits	13 7	13 4	13 4
Percentage of Cash to Deposits	11 92	16 5	10 6

Profit and Loss items—

Brought forward	30,50	30,15	28,60
Net profit	78,87	76,00	72,57
Dividend Distribution	67,50	67,50	67,50
Allocation to funds	5,70	2,89	5,95
Carry Forward	30,40	30,42	28,03
Dividend per cent	12	12	12

INDIAN JOINT-STOCK BANKS

ALLAHABAD BANK LIMITED

The Allahabad Bank is one of the oldest of Indian joint stock banks, established in the year 1865 Its original Head Office was Allahabad, but since its affiliation to the P & O Banking Corporation, which has since been amalgamated with the Chartered Bank of India, about 10 years ago, its registered office has been transferred to Calcutta The Allahabad Bank has devoted special attention to branch banking and finance of produce Its branches are spread practically throughout the United Provinces and a good part of the Punjab The bank has also branches at other important centres like Bombay, Rangoon, Karachi, Nagpur, etc In the field of produce finance, it did considerable pioneer work, and though new entrants into the field seek to cut into its business, the facilities which the Allahabad Bank has always offered, and is ever in a position to offer, should retain for it, its own clients and connections and business

The report and balance sheet of the Allahabad Bank will always be perused with interest, and the 116th report submitted by the Directors indicates that the last year was wholly favourable for the Bank which holds a special position in more than one province The fall in profits was perhaps inevitable, but there is no change in the rate of dividend on ordinary and preference shares The changes in the balance-sheet explain the Director's disposition of the profits, appropriations to Reserves being Rs 3 lakhs as against Rs 5 lakhs last year The further rise in deposits testifies to the strength and popularity of the bank Time and demand liabilities which stood at Rs 10 77 crores in the balance sheet as on March 31, 1938 have risen to Rs 10 95 crores A gratifying feature in the further addition made to the Reserves which stand at Rs 50 lakhs while paid-up capital is unchanged at Rs 35 5 lakhs The changes on the other side are such as one may expect The reduced demand for money is reflected in the fall under Advances although loans show a small rise on the previous year The total of Rs 5 37 crores against Rs 5 68 crores in the last year's balance sheet is compounded of secured loans to the total of Rs 5 26 crores and unsecured loans on single or joint security amount to Rs 11 8 lakhs only The rigid banking standards of the institution are reflected as usual in the entry-nil-against Debts considered doubtful or bad House property after additions to the value of Rs 7 22 lakhs during the year is valued in the balance sheet at Rs 46 18 lakhs, the annual provision for depreciation being made before profits were struck The fall in advances accounts for the rise under Investments to Rs 4 67 crores from 4 21 crores at the end of March 1938 The cash position remains as strong as ever, bank branch and other balances amounting to over Rs 1 58 crores The change of control is shown in the substitution of the Chartered Bank for the P & O Banking Corporation as the institution to which the Allahabad Bank is now affiliated Reference may also be made to a change in the Bank's directorate Mr R R Haddow having taken the place of Sir George Campbell who has resigned on retirement

(000's omitted)

	1937 Rs	1938 Rs	1939 Rs
Liabilities—			
Capital	35,50	35,50	35,50
Reserves	46,50	48,00	50,80
Provident Fund	18,83	20,25	20,97
Deposits	10,47,86	10,77,25	10,95,19
Other items	9,83	6,52	7,10
Profit & Loss Account	10,61	12,87	11,45
Total	11,69,13	12,00,39	12,21,06
Assets—			
Cash	1,67,61	1,59,60	1 58,11
Investments	3,42,95	4,26,21	4 72,49
Loans, Advances, etc	6,04,85	5,68,51	5,37,16
Property	41 73	44,75	50,30
Other items	8,99	1,19	2,70
Total	11,69,13	12,00,39	12,21,06
Percetage of Capital & Reserves to Deposits	7 8	7 8	7 9
Percentage of Cash to Deposits	16 0	14 8	16 0
Percentage of liquid assets to deposits	48 9	54 4	60 2

Profit and Loss items—			
Brought forward	4,03	4,78	4,64
Net profit	8 87	10,38	9,10
Dividend Distribution	4,59	4,59	4,59
Allocation to funds	3,00	5,00	3,00
Carry forward	5,31	5,57	6,15
Dividend Percent	18	18	18

BANK OF BARODA, LIMITED

The Bank of Baroda was founded in 1909 under the patronage of and largely supported by, the Government of H H the Maharaja of Gaekwar of Baroda The Chairman of the Bank is Mr Walchand Hirachand and the General Manager Mr W C Groundwater

The business of the Bank during the year 1938 was satisfactory Deposits have slightly increased from Rs 6,79,58,245 to Rs 7,12,51,101, but loans and advances have slightly declined from Rs 2,86,24,084 to Rs 2,85,12,352 Cash and other balances were higher at Rs 1,18,99,382 as also investments at Rs 3,34,70,440 The profit was Rs 5,05,936 which was slightly less than the net profit for the year 1937, but compares favourably with the profits of previous years The dividend has been maintained at 10 per cent per annum Rs 1,50,000 against the same in the previous year has been transferred to Reserve Fund The amount carried forward is higher at Rs 89,442 against Rs 68,506 in the previous year Year ending December

(In 000's omitted)

	1936 Rs	1937 Rs	1938 Rs
Liabilities—			
Capital	30,00	30,00	30,00
Reserve Fund	23,50	25,00	26 50
Provident Fund	5,59	4,46	4,94
Deposits	6,94,51	6,79,58	7,12,51
Other items	1 91	2,44	3,39
Profit & Loss A/c,	3,85	5,04	4,25
Total	7,59,36	7,46,52	7,81,59
Assets—			
Cash	1,22,23	1,07,49	1,18,99
Investments	3,59,63	3,12,13	3,34,70
Loans & Advances	2,49,72	2,86,24	2,85,12
Property	23,68	23,32	22,92
Other items	4,10	17,34	19,86
Total	7,59,36	7,46,52	7,81,59

Percentage of total capital and Reserve to deposits	7 7	8 1	7 9
Percentage of cash to deposits	17 6	15 8	16 7
Percentage of liquid assets to deposits	69 8	61 7	63 7
Profit and Loss Items—			
Brought forward	79	57	69
Net Profit	4,56	5,97	5,06
Dividend Distribution	3,00	3,00	3,00
Allocation to Funds	1,50	1,50	1,50
Bonus to staff	28	35	35
Carried forward	57	69	89
Dividend Rate %	10	10	10

BANK OF HINDUSTAN, LIMITED

The Bank was started in July, 1929, with an authorized capital of Rs 25,00,000 and called and paid up capital of Rs 10,00,000 in shares of Rs 100 each and Rs 50 paid up It has got a powerful and influential Directorate with Mr C H Divanjee as the Secretary The Bank has got 19 branches The object of the Bank is only to improve indigenous banking on modern lines in all its branches, including Trustee and Executorship business

Deposits have fallen in 1938 from Rs 47,35,134 to Rs 22,96,577 Cash is lower at Rs 5,29,066, while investments are slightly higher at Rs 5,75,544

The profit for the year was Rs 37,809 The dividend declared was lower at 2 per cent against 3½ per cent previously The amount carried forward was higher at Rs 9,983 against Rs 5,120 in the previous year Year ending December

(000's omitted)

	1936 Rs	1937 Rs	1938 Rs
Capital	10,00	10,00	10,00
Reserves	33	45	50
Deposits	37,99	47,35	22,97
Bills for collection as per contra	1,83	4,84	3,80
Other items	1,07	1,91	2,09
Profit and Loss Account	66	61	38
Total	51,88	65,16	39,74
Assets—			
Cash	11,08	9,60	5,29
Investments	1,00	5,73	5,76
Loans, Advances etc	36,00	43,39	23,44
Premises	37	43	82
Bills for collection as per contra	1,83	4,84	3,80
Other items	1,60	1,17	63
Total	51,88	65,16	39,74

THE COMILLA UNION BANK LIMITED

Established 1922

Head Office COMILLA

The Bank that has built up public confidence amongst the Bengalee managed Banks.

Share Capital paid-up	over Rs.	**5,77,000**
Reserves	,, ,,	**6,58,000**
Cash, Govt. Securities and Treasury Bills	,, ,,	**62,00,000**
Deposit	,, ,,	**1,54,83,000**

(As at 31-12-45 B S 14th April, 1939)

Branches

CALCUTTA
10, Clive Street
SOUTH CALCUTTA
139/3, Russa Road
DACCA
NARAYANGANJ
NETAIGANJ
CHANDPUR
PURANBAZAR
CHITTAGONG
BAXIRHAT
(Chittagong)
BARISAL
RAJSHAHI
PABNA
MYMENSINGH
BRAHMANBARIA
BHAIRAB
GAUHATI
DIBRUGARH
JORHAT
TINSUKIA
DHUBRI
DIGBOI

Banking facilities of every description including foreign exchange

Managing Director Dr S B DUTT, M A, Ph D. (Econ), London, *Barrister-at-Law*

DEAL WITH YOUR OWN BANK

THE CENTRAL BANK OF INDIA, LTD.

ESTABLISHED 1911

A purely National Institution managed entirely by Indians, ranks foremost to-day in Capital and Deposits amongst the Joint Stock Banks of India

	Rs	A	P		Rs	A	P
Authorised Capital	**3,50,00,000**	**0**	**0**	**Reserve Liability of Shareholders**	**1,68,13,200**	**0**	**0**
Subscribed Capital	**3,36,26,400**	**0**	**0**	**Reserve and other Funds**	**1,01,46,598**	**1**	**0**
Paid up Capital	**1,68,13,200**	**0**	**0**	**Deposits as at 30-6-1939**	**32,74,83,730**	**13**	**0**
Investments in Gilt-edged, other approved securities and Cash in hand as at 30-6-1939					**19,31,54,912**	**1**	**10**

Manager —MR H C CAPTAIN

Head Office —BOMBAY

DIRECTORS

Sir H P Mody, Kt, K B E —(*Chairman*)
The Rt Hon'ble Nawab Sir Akbar Hydari, Kt, P C
Ardeshir Bomanji Dubash, Esq
Haridas Madhavdas Esq
Dinshaw D Romer, Esq
Vithaldas Kanji Esq
Sir Dossabhoy H Bhiwandiwalla, Kt
Nurmohamed M Chinoy Esq
Bapuji D Lam, Esq
Dharamsey Mulraj Khatau, Esq

Branches in all important stations in India Foreign business transacted

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Open your Current Deposit, Fixed Deposit and Savings Accounts

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SAFE DEPOSIT VAULT at the disposal of families and businessmen as safest repository for Jewellery, Documents, etc, yearly rent Rs 12/- only for a locker under your control

CALCUTTA BRANCHES

Main Office —100, CLIVE STREET

NEW MARKET BRANCH —10 Lindsay Street
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SHAMBAZAR BRANCH —133, Cornwallis Street
BHOWANIPORE BRANCH —8A, Russa Road

Branches in Bengal and Behar

at DACCA, — NARAYANGANJ, — JALPAIGURI, — JAMSHEDPUR, — MUZAFFARPUR

London Agents —BARCLAYS BANK LD AND MIDLAND BANK LD

New York Agents —GUARANTY TRUST CO OF NEW YORK

Percentage of total of capital and reserve to deposits	27 5	22 0	45 7
Percentage of cash to deposits	29 2	20 0	23 0
Percentage of liquid assets to deposits	31 8	32 4	48 1
Profit and Loss Items—			
Brought forward	3	3	5
Net profit	64	54	38
Dividend distribution	35	35	20
Allocation to funds	17	18	Nil
Carry forward	3	5	10
Dividend per cent	3½	3½	2

BANK OF INDIA, LIMITED

The Bank of India, registered in 1906, is by far the most comfortably situated amongst Indian Banks It owns 16 branches and has as its London agent the Westminster Bank Its balance sheet is neat and natty and its business continues to be run satisfactorily The Official Bank rate during the year was 3 per cent The Bank of India has a most illustrious and influential Board of Directors with Sir Chunilal V Mehta, K C S I , as Chairman and Mr A G Gray as the Manager

The Bank experienced a successful year in 1938, profit for the year being Rs 21,81,658 against Rs 21,62,406 in the previous year The Bank has maintained the dividend at 11 per cent

Deposits increased from Rs 17,13,71,170 to Rs 17,25,21,682 but loans and advances were slightly lower at Rs 7,95,91,430 against Rs 8,57,03,275 Investments are higher at Rs 8,28,01,340 against Rs 6,98,46,197, while cash and other balances were lower at Rs 3,00,74,183 against Rs 3,43,27,067

(In 000's omitted)

	1936	1937	1938
Liabilities—	Rs	Rs	Rs
Capital	1,00,00	1,00,00	1,00,00
Reserves	1,05 00	1,09,00	1,11,50
Deposits	16 99,94	17,13,71	17,25,22
Other items	1,07	1,21	1 52
Profit and Loss A/c	20,17	21,00	20,71
Total	19,26,18	19,44,92	19,58,95
Assets—			
Cash	2,41,61	3,43,27	3,00,74
Loans & advances	8,90,76	8,57,92	7,95 91
Bills	17,01	34,56	25,27
Investments	7,62,34	6,98,43	8,28,01
Property etc	14,46	10,74	9,02
Total	19,26,18	19,44,92	19,58,95

Profit and Loss Items—			
Brought forward	6,04	6,87	7,65
Net Profit	20,63	21,62	21,82
Dividend Distribution	11,00	11,00	11,00
Allocation to funds	6 50	6,50	5,50
Carry forward	6,87	7,65	8,34
Dividend per cent	11*	11*	11*

* Includes bonus of one per cent per annum.

BANK OF MYSORE, LIMITED

The Bank of Mysore was started in 1913 and its progress has been steady and satisfactory The Reserves considerably exceed the total paid-up capital. The profit for the year ended December, 1938 was slightly lower than that for 1937 at Rs 4,39,444 against Rs 4,54,894 in the previous year Deposits have declined from Rs 2,56,58,300 to Rs 2,47,04,433 Loans and advances have jumped to Rs. 1 76 lakhs from Rs 1 65 lakhs Bills discounted and purchased have declined from Rs 12 3 lakhs to Rs 10 24 lakhs Investments are Rs 91,77,327, while cash stands at Rs 17,06,117 Rs 1,50,000 against the same previously has been transferred to the Reserve Funds The dividend and bonus have been maintained at 12 and 2 per cent per annum respectively. The amount carried forward is Rs 1,02,038 against Rs 1,14,594 in the previous year Year ending December

(000's omitted)

	1936	1937	1938
Liabilities—	Rs	Rs	Rs
Capital	20,00	20,00	20,00
Reserve Fund	24,25	25,00	25,75
Staff Provident Fund	3,23	3 57	4,00
Deposits	2,33,03	2,56,58	2,47,04
Unclaimed Dividend	16	17	17
Profit and Loss	3,45	3,51	3,39
Total	2,48,12	3,08,83	3,00,35
Assets—			
Cash	29,42	34,80	17,06
Investments	87,01	92,36	91,78
Loans and advances	1,54,92	1,64,59	1,76,23
Bills discounted and purchased	7,11	12,26	10,24
Property etc .	5,66	4,82	5,04
Total	2,84,12	3,08,83	3,00,35
Percentage of capital and reserve to total deposits	18 9	17 5	18 51
Percentage of liquid assets to total deposits	50 3	49 6	43 7
Percentage of cash to deposits	12 6	13 6	6 9

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Share Capital paid-up	over Rs.	5,77,000
Reserves	„ „	6,58,000
Cash, Govt. Securities and Treasury Bills	„ „	62,00,000
Deposit	„ „	1,54,83,000

(As at 31-12-45 B S 14th April, 1939)

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ESTABLISHED 1911

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	Rs	A	P.		Rs	A	P
Authorised Capital	3,50,00,000	0	0	Reserve Liability of Shareholders	1,68,13,200	0	0
Subscribed Capital	3,36,26,400	0	0	Reserve and other Funds	1,01,46,598	1	0
Paid up Capital	1,68,13,200	0	0	Deposits as at 30-6-1939	32,74,83,730	13	0
Investments in Gilt-edged, other approved securities and Cash in hand as at 30-6-1939					19,31,54,912	1	10

Manager —MR H C CAPTAIN

Head Office —BOMBAY

DIRECTORS

Sir H P Mody, Kt , K B E —(*Chairman*)
The Rt Hon'ble Nawab Sir Akbar Hydari, Kt , P C
Ardeshir Bomanji Dubash, Esq
Haridas Madhavdas Esq
Dinshaw D Romer, Esq
Vithaldas Kanji Esq
Sir Dossabhoy H Bhiwandiwalla, Kt
Nurmohamed M Chinoy Esq
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Percentage of total of capital and reserve to deposits	27 5	22 0	45 7
Percentage of cash to deposits	29 2	20 0	23 0
Percentage of liquid assets to deposits	31 8	32 4	48 1

Profit and Loss Items—

Brought forward	3	3	5
Net profit	64	54	38
Dividend distribution	35	35	20
Allocation to funds	17	18	Nil
Carry forward	3	5	10
Dividend per cent	3½	3½	2

BANK OF INDIA, LIMITED

The Bank of India, registered in 1906, is by far the most comfortably situated amongst Indian Banks It owns 16 branches and has as its London agent the Westminster Bank Its balance sheet is neat and natty and its business continues to be run satisfactorily The Official Bank rate during the year was 3 per cent The Bank of India has a most illustrious and influential Board of Directors with Sir Chunilal V Mehta, K C S I, as Chairman and Mr A G Gray as the Manager

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(In 000's omitted)

	1936	1937	1938
Liabilities—	Rs	Rs	Rs
Capital	1,00,00	1,00,00	1,00,00
Reserves	1,05 00	1,09,00	1,11,50
Deposits	16 99,94	17,13,71	17,25,22
Other items	1,07	1,21	1 52
Profit and Loss A/c	20,17	21,00	20,71
Total	19,26,18	19,44,92	19,58,95
Assets—			
Cash	2,41,61	3,43,27	3,00,74
Loans & advances	8,90,76	8,57,92	7,95 91
Bills	17,01	34,56	25,27
Investments	7,62,34	6,98,43	8,28,01
Property etc	14,46	10,74	9,02
Total	19,26,18	19,44,92	19,58,95

Profit and Loss Items—

Brought forward	6,04	6,87	7,65
Net Profit	20,63	21,62	21,82
Dividend Distribution	11,00	11,00	11,00
Allocation to funds	6 50	6,50	5,50
Carry forward	6,87	7,65	8,34
Dividend per cent	11*	11*	11*

* Includes bonus of one per cent per annum.

BANK OF MYSORE, LIMITED

The Bank of Mysore was started in 1913 and its progress has been steady and satisfactory The Reserves considerably exceed the total paid-up capital. The profit for the year ended December, 1938 was slightly lower than that for 1937 at Rs 4,39,444 against Rs 4,54,894 in the previous year Deposits have declined from Rs 2,56,58,300 to Rs 2,47,04,433 Loans and advances have jumped to Rs 1 76 lakhs from Rs 1 65 lakhs Bills discounted and purchased have declined from Rs 12 3 lakhs to Rs 10 24 lakhs Investments are Rs 91,77,327, while cash stands at Rs 17,06,117 Rs 1,50,000 against the same previously has been transferred to the Reserve Funds The dividend and bonus have been maintained at 12 and 2 per cent per annum respectively The amount carried forward is Rs 1,02,038 against Rs 1,14,594 in the previous year Year ending December

(000's omitted)

	1936	1937	1938
Liabilities—	Rs	Rs	Rs
Capital	20,00	20,00	20,00
Reserve Fund	24,25	25,00	25,75
Staff Provident Fund	3,23	3 57	4,00
Deposits	2,33,03	2,56,58	2,47,04
Unclaimed Dividend	16	17	17
Profit and Loss	3,45	3,51	3,39
Total	2,48,12	3,08 83	3,00,35
Assets—			
Cash	29,42	34,80	17,06
Investments	87,01	92,36	91,78
Loans and advances	1,54,92	1,64,59	1,76,23
Bills discounted and purchased	7,11	12,26	10,24
Property etc	5,66	4,82	5,04
Total	2,84,12	3,08,83	3,00,35
Percentage of capital and reserve to total deposits	18 9	17 5	18 51
Percentage of liquid assets to total deposits	50 3	49 6	43 7
Percentage of cash to deposits	12 6	13 6	6 9

Profit and Loss Items—			
Brought forward	1,08	1,15	1,15
Net profit	4,52	4,55	4,39
Dividend distribution	2 80	2,80	2,80
Allocation to funds	1,50	1,50	1,70
Bonus to Staff		20	22
Carry forward	1,11	1,16	1,02
Dividend per cent	12	12	12
Bonus	2	2	2

CENTRAL BANK OF INDIA LIMITED

Founded in 1911, this bank is the largest of the indigenous banks in India In 1923 it took over the management as a separate institution of the Union Bank of India and acquired the Tata Industrial Bank Its deposit figures were higher than those of the other Indian Joint Stock banks In range of business, largeness of clientele, new and newer modes of service, the Central Bank has always been in the forefront An institution, so flourishing and so steadfastly marching onwards, has had, necessarily, its distractors and even unreasoning critics The Bank has come out successful in all the vexatious litigation to which some of its enemies have subjected it This kind of persecution has meant the maintenance of an unduly large liquid position so as to be prepared for runs at any time Excessive liquid assets mean lesser margin of profits And runs mean disorganisation of normal business The management of the Central Bank have had to contend against heaviest odds Despite such difficulties, the progress of the Bank has been kept up At all times, it has been ready and able to weather even the strongest storm That it has stood up through good support and evil report and strengthened its position all the time, is a measure of its intrinsic vitality and its sound business methods, it also shows how much headier its growth would have been if it had been left to develop unharassed and unhampered

The bank inaugurated a subsidiary, the Central Exchange Bank of India, in London in September, 1936, with the object of engaging in arbritage and direct exchange transactions and securing personal representation in the short-loan market in Lombard Street The subsidiary increased its capital from £100,000 to £300,000 fully paid in November, 1937, in order to deal with increased business

The Bank is in the happy position of being able to report an increase in profits for the year ended December, 1938 Deposits amount to Rs 31,03,01,024 against Rs 30,68,28,179 in the previous year Loans and advances are Rs 14,13,39,992 against Rs 13,52,23,534 in the previous year The bank's liquid position has been maintained Cash and other balances are Rs 4,01,34,849, while investments stand at Rs 15,72,02,883 The net profit is 27,59,-546, an increase of Rs 74,500 as compared with last year The dividend declared is higher at 7 per cent against 6 per cent, the bonus being maintained at 2 per cent Rs 10,50,000 against Rs 8,00,000 previously has been allocated to funds The amount carried forward is lower at Rs 8,13,873 against Rs 8,67,515

(000's omitted)

	1936 Rs	1937 Rs	1938 Rs
Liabilities—			
Capital	1,68,13	1,68 13	1,68,13
Reserve and other Funds	85,80	91,20	1,01,47
Deposits	31,48,52	30,68,28	31 03,01
Bills payable	6,37	5,10	1,63
Acceptances for customers as per contra	50,77	31,06	42,51
Bills for collection as per contra	82,01	87,03	73,07
Branch adjustments	32,33	28,76	28,51
Other items	10,25	5 20	91,88
Profit and Loss	12,25	17,08	18,23
Total	35,96,43	35,08,11	36,34 44
Assets—			
Cash	5 23,49	5,39,48	4,01 35
Investments	16,01,72	13,68,64	15,72,03
Loans & advances	11,98,35	13,52,23	14,13,40
Acceptances for customers as per contra	50,77	34,60	42,58
Bills receivable	82,00	87,03	73 97
Premises etc ,	1,40,10	1, 6,70	1,29,08
Total	35,96,13	35,08,14	36,34,44
Percentage of capital and reserve to deposits	8 1	8 5	8 7
Percentage of liquid assets to deposits	67 5	62 2	63 7
Percentage of cash to deposits	16 6	17 6	13 0
Profit and Loss Items—			
Brought forward	4,06	5,53	8,68
Net Profit	22,37	26,85	27,60
Dividend distribution	11,77	13 45	15 13
Allocation to funds	5,70	8,00	10,50
Carry forward	5,53	8,68	8,14
Dividend rate per cent	6†	6×	7×

† 1 per cent Bonus
× 2 per cent Bonus

COMILLA UNION BANK, LIMITED

The Comilla Union Bank Ltd, was established in Comilla in the year 1922 and from a small beginning it has now come to the forefront of the Bengalee-managed Banks It is the first amongst the operative moffussil Bank of Bengal that was enlisted in the second schedule of the Reserve Bank of India Act, 1934 and was taken as a full fledged member of the Calcutta Clearing Banks' Association The Bank devoted considerable attention to Branch Banking and has now 22 Branches scattered all over Bengal & Assam

The Bank has been able to show a successful year in 1938-39 with an alround increase in business The paid-up share capital of the Bank as on 14-4-39 has increased considerably and stands at Rs 5,77,125 as against Rs 4,36,235, which means an increase of more than 32 per cent, while the Reserves show the figure at Rs 6,58,699 in the present year as compared to Rs 6,05,458 in the last year There has also been a remarkable increase in the amount of deposits which now stands at Rs 1,54 83,561 as against Rs 1,25,36,743 in the previous year The advances in Loans, Cash Credits and Bills Discounted stand at Rs 1,06,04,212 as compared to Rs 88,76,789 in the previous year The inherent strength of the Bank is manifest from the huge proportion of liquid assets as maintained by the Bank particularly in cash and Bank balances which stand at Rs 32 18,210 of which Rs 4 71,400 represent statutory deposit with the Reserve Bank of India and the investment of the Bank in liquid securities is also very satisfactory inasmuch as Govt securities, Treasury Bills and shares in Reserve Bank of India comprise a sum of Rs 30,42,469 Thus a sum of over Rs 62,60,000 was maintained in cash and giltedged securities alone which works out at more than 40 per cent of the entire deposit and may be considered as highly satisfactory

During the year under review the working show a net profit of Rs 89,293 excluding the amount of Rs 66,940 received as income by way of premium on issue of shares The rate of dividend has been maintained at 12½ per cent, subject to payment of income-tax and the amount carried forward is much larger than in last year which is Rs 27,663 as against Rs 12,326 brought in

(000's omitted)

	1937	1938	1939
	Rs	Rs	Rs
Liabilities—			
Capital	3,52	4,36	5,77
Reserves	5,67	6,05	6,59
Deposits	94,47	1,55,20	1,55,20
Other items	6,59	9,61	10,92
Profit & Loss Account	48	58	83
Total	1,10,73	1,45,97	1,79,31
Assets—			
Cash	25,15	25,62	32,18
Investments	14,30	22,94	32,76
Loans & Advances	65,01	88,77	1,06,04
Bills	2,54	3,25	19
Other items	3,73	5,39	8,14
Total	1,10,73	1,45,97	1,79,31
Percentage of capital and reserve to deposits	9 7	6 3	8 0
Percentage of cash to deposits	26 6	20 4	20 7
Percentage of liquid assets to deposit	41 7	38 7	41 8

INDIAN BANK, LIMITED

The Indian Bank Limited with its head office at Madras has about 25 branches and sub-offices distributed throughout South India Its subscribed Capital is about Rs 48 lakhs while the paid-up capital is about Rs 12 79 lakhs The Reserve Fund, which was Rs 9 lakhs in 1929 has grown to Rs 14 67 lakhs in 1938 There is a Contingency Fund of Rs 1 38 lakhs The amount of Rs 1 80 lakhs has been transferred during the year from Dividend Equalisation Fund to the Investment Reserve Fund Thus the total reserves are considerably in excess of the total Capital

The Bank rate remained unchanged at 3 per cent during the year Notwithstanding the acute banking crisis in the latter half of the year, the results of the bank's working are very gratifying and disclose a profit of Rs 2,85,646 which is higher than that in the three years preceding Deposits were higher at Rs 3,36,70,863 against Rs 3,30,01,076 in the previous year Investments amount to Rs 1,04,20,528 against Rs 81,76,896 Cash and other balances are lower at Rs 54,94,169 against Rs 63,96,498 Loans and advances have declined from Rs. 2,20,95,474 to Rs 2,13,44,949

The dividend declared is lower at 10 per cent as against 10½ per cent previously

INDIAN BANK, LIMITED

(ESTABLISHED IN 1907)

Head Office MADRAS, North Beach Road

Local Offices ESPLANADE, TRIPLICANE, MYLAPORE, THEAGAROYANAGAR, PURASAWALKUM, ROYAPETTAH and SOWCARPET

Branches Adoni, Alleppey, Bangalore City, Bangalore Cantt, Bezwada, Bombay, Cochin, Coimbatore, Colombo, Erode, Guntur, Jaffna, Karaikudi, Kumbakonam, Madura, Nandyal, Pudukottah, Quilon, Salem, Tirunelveli, Tiruppur, Tiruvarur, Trichinopoly, Trichur and Tuticorin

Sub-offices Gudivada, Tenali, Bhimavaram, Repalli, Tanuku, Duggirala, Devakottah, Narasaraopet and Udumalpet

Agents in all other Principal Towns in India and Burma

London and New York Agents THE NATIONAL CITY BANK OF NEW YORK

Subscribed Capital - - - - -	Rs	47,92,800
Called and Paid-up Capital - - -	,,	12,79,280
Reserve and other Funds - - - -	,,	18,60,147
Reserve Liability of Shareholders - -	,,	35,13,520
Working Funds as on 30th June, 1938 -	,,	4,70,14,628

All General Banking Business including Foreign Exchange transacted

Rules of Business and other particulars can be had on application to any Office

N GOPALA IYER, *Secretary*

INDO-COMMERCIAL BANK, LTD.

Regd Office . MAYAVARAM :: *Central Office* : MADRAS

Authorised Capital	Rs. 25,00,000
Issued and Subscribed Capital . . .	Rs. 21,25,000
Paid-up Capital (18-8-39)	Rs. 18,22,655

Madras Offices

ARMENIAN STREET, CHINA BAZAAR ROAD, MAMBALAM, MYLAPORE AND TRIPLICANE

Branches

ANAKAPALLE	GOBICHETTIPALAYAM	PUDUKOTTAH	TIRUPATTUR
BERHAMPORE	KARAIKUDI	SALEM	TIRUVARUR
CALICUT	KUMBAKONAM	SALUR	TRICHINOPOLY
CHIDAMBARAM	MADURA	SHIYALI	TUTICORIN
COIMBATORE	NEGAPATAM	TADEPALLIGUDEM	VELLORE
CONJEEVARAM	PALGHAT	TANJORE	VIRUDHUNAGAR
ERODE	PARVATIPURAM	TIRUNELVELI	VIZIANAGARAM

Board of Directors

T R Venkatarama Sastri, C I E
V Venkatrama Iyer, M A., B L
K Subbaiyer
R. S A Sankara Iyer
N V Raghavan, *Retd Acct Genl*
R Viswanatha Iyer, B A, B L
K Sivaswami Iyer
S N N Sankaralinga Iyer, *Managing Director*

ALL KINDS OF BANKING BUSINESS TRANSACTED

The amount carried forward is Rs 26,299 against Rs 40,920 Year ending December

Liabilities—	1936 Rs	1937 Rs	1938 Rs
Capital	12,79	12,79	12,79
Reserve and other funds	16,93	17,32	16,21
Deposits	2,98,86	3,30,01	3,36,71
Bills for collection	9,56	20,12	16,38
Other items	4,21	2,09	30,59
Profit and Loss Account	1,94	2,20	2,63
Total	3,44,29	3,94,53	4,15,31
Assets—			
Cash	64,69	63,96	54,94
Investments	70,05	81,77	1,04,21
Loans, Advances etc	1,95 70	2,20,95	2,13,45
Bills for collection	9 56	20,12	16 38
Premises, etc	2,09	3,36	3,80
Sundries	2,20	4 37	22,53
Total	3,44,29	3,94,53	4,15,31
Percentage of Capital and Reserves to deposits	9 9		8 6
Percentage of Cash to deposits	21 6		16 3
Percentage of liquid assets to deposits	45 8		47 2
Profit and Loss Items—			
Brought forward	32	34	41
Net profit	2,39	2,43	2,86
Dividend distribution	1,34	1,34	1,28
Allocation to funds	92	78	1,35
Bonus to staff	Nil	24	13
Carry forward	34	41	26
Dividend rate %	10½	10½	10

INDIAN OVERSEAS BANK

Started early in 1937 the Indian Overseas Bank has made an impressive beginning The Bank has been formed mainly to finance and develop trade, commerce and industry between India, Burma, Federated Malaya States, the Straits Settlements and Ceylon in particular and between countries outside India in general

The representative character of the Directorate, their position, status and business capacity and the encouragement assured by the commercial community have been mainly responsible for the success of the Bank even from the beginning

The Bank commenced business at Madras and Karaikudi on February 10, 1937 and other branches of the Bank were opened at Penang, Sivaganga and Rangoon on July 5, 1937, September 6, 1937 and November 10, 1937 respectively All expenses incidental to the opening of the branches have been charged to the Profit and Loss Account

The bank has been making steady progress and the net profit for the half-year ended 30th June, 1939 amounted to Rs 46,065 as against Rs 28,577 in the corresponding period for 1938 Deposits have risen to Rs 97,75,183 from Rs 63,97,423 Cash and other balances were at Rs 15,38,089 as against Rs 13,25,040, while Investments were considerably higher at Rs 43,49,530 against Rs 22,45,734 Loans and advances were at Rs 62,79,137 against Rs 40,49,419 Rs 15,994 has been transferred to the Investment Reserve Account during the half-year, making it up to Rs 21,682 The balance of Rs 33,043 has been carried forward to the next account

Liabilities	Half-year ended 30-6-1939	Year ended 31-12-38	Period ended 31-12-37
Capital	12,50	12,50	12,50
Reserves	22	6	Nil
Deposits	97,75	70,73	47,09
Other items	18,25	4,93	6,26
P & L Account	33	40	1
Total	1,29,05	88,62	65,86
Assets			
Cash	15,33	13,21	12,07
Investments	46,00	27,67	9,64
Advances	62,79	44,93	41,31
Premises	50	43	27
Other items	4,38	2,38	2,57
Total	1,29,05	88,62	65,86
Profit & Loss Account			
Brought forward	3	1	
Net profit	46	62	1
Allocation to funds	16	24	
Dividend amount	Nil	38	
Carry forward	33	3	

INDO-COMMERCIAL BANK, LIMITED

The Indo-Commercial Bank was started on November 17, 1932 The objects of the bank were "to start and work an up-to-date bank to serve the needs of the country by incorporating the economy and adaptability of the indigenous bankers and modern methods of Western institutions," as recommended by the Central Banking Enquiry Committee. The progress of the bank has been very satisfactory and it is

at the present day one of the leading banks in South India The total paid-up capital at the end of December, 1938, stood at Rs 18,03,480 Deposits are lower at Rs 85,45,434 as against Rs 1,26 32,143 in the previous year Loans and advances are also lower at Rs 55,56,390 as against Rs 1,12,61,131 in the previous year Cash and other balances amount to Rs 20,21,761 against Rs 21,71,555, while investments stand at Rs 30,90,881 against Rs 52,90,870

The Bank has had to pass through a period of exceptional strain in South Indian Banking from about the end of the first half of the year 1938 for about 4 months This necessitated the Bank to meet all possible demands, resulting in very low profits in the second half of the year The profit for the year ended December, 1938, was slightly lower than that for 1937 at Rs 1,15,469 against Rs 1,88,108 The dividends declared were 6 per cent per annum on 'C' shares and 5 per cent per annum on 'A' and 'B' shares The amount carried forward is Rs 481 against Rs 421 Year ending December

(In 000's omitted)

	1936	1937	1938
Liabilities—	Rs	Rs	Rs
Capital	11 82	12,04	18,03
Reserve Funds	27	85	85
Deposits	1,05 36	1,43,91	85,45
Bills for collection	3,78	6,38	5,44
Other items	5,77	6,46	5,12
Profit & Loss Accounts	1,03	1,18	45
Total	1,28,03	1,70,82	1,15,34
Assets—			
Cash	20,09	20,68	20,22
Investments	50,55	52,91	30,91
Loans	50,09	86,85	55,56
Bills for collection as per contra	3,78	6,38	5,44
Property	94	1,65	1,63
Other items	2,58	2,35	1,58
Total	1,28,03	1,70,82	1,15,34
Percentage of capital and reserve to deposits	11 5	7 2	2 2
Percentage of cash to deposits	19 1	14 4	23 7
Percentage of liquid assets to deposits	67 04	51·2	59 8
Profit and Loss items—			
Brought forward	6		
Net Profit	1,29	1,88	1,15
Dividend Distribution	65	71	87
Allocation to funds	63	70	29
Dividend per cent	6	6	6*

*Only on 'C' shares 5 per cent per annum on 'A' and 'B' shares.

PUNJAB NATIONAL BANK, LIMITED

The Punjab National Bank was founded 42 years ago on the initiative of the late Sardar Dyal Singh Majithia To-day the bank employs about 1,300 persons and has forty-eight branches and ten sub and pay-offices of its own spread throughout the country The bank has passed through many financial storms but has always come out successfully

Being one of the big five in Northern India, the Punjab National Bank during recent years has made good progress

The transactions for the half-year ended June, 1939, resulted in a profit of Rs 4,16 610 to which has to be added Rs 24 962 brought forward from the previous half-year This gives a total of Rs 4,41,572 out of which Rs 2,3[illegible] was written off bad debts while an additional sum of Rs 50,000 was provided for depreciation and Rs 25,000 for income tax The dividend has been maintained at six per cent per annum The amount carried forward is Rs 27,500

The Chairman of the Bank is Mr R P Dewan Badri Das M A LL B, Mr Yodh Raj being the Secretary and officiating General Manager

(000's omitted)

	1938	1937	1936
Liabilities—	Rs	Rs	Rs
Capital	31,11	31,39	31 37
Reserves	22,75	21,52	21 57
Deposits	6,82,98	6,96 17	6 09,88
Bills for collection as per contra	16,71	19 07	16,83
Other Items	52,47	30,74	73,68
Profit and Loss Account	1,51	1,41	1,23
Total	8,37,92	8,30,60	7,84,51
Assets—			
Cash	56,07	62,57	56,90
Investments	1,87,61	2,04,10	1 90,14
Advances etc	4,26,91	3 95,18	3,65,31
Bills as per contra	46,74	19,07	46,83
Premises etc	1,03,52	99 20	94 93
Other items	17,07	20 48	31 10
Total	8,37,92	8,30,60	7,84,51
Percentage of Capital and Reserves to deposits	7 9	6 7	8·7
Percentage of Cash and Investments to deposits	35 7	38 8	40 6

UNION BANK OF INDIA, LIMITED

The Union Bank of India Limited was started in 1919, and the capital in the earlier years was Rs 60 lakhs paid up What with all the competition offered by the numerous banks in the City, the Union Bank could not make any headway The Bank was also unfortunate in regard to some of the investments, and particularly in regard to the building which it purchased for its office In 1922-23, however, the Central Bank of India secured a controlling interest in the Union Bank by purchasing a considerable number of the shares of the latter, as a result of which the Central Bank of India Ltd was appointed as the Managing Agents The result is that the Union Bank is the unique instance of a bank being managed by another bank as managing agents Soon after the transfer of the management to the Central Bank, a reconstruction of capital was effected, so that the present position is that the paid up capital is Rs 40 lakhs Bad investments were provided for in the writing down of capital as well as the difference between the purchase price and the intrinsic value of the building The Union Bank has not set before itself any high-sounding or ambitious programme but carries on a simple, straight-forward business in a small, but sure, way

The position of the Bank has improved very much during recent years Deposits have increased to Rs 1,16,94,608 from Rs 1,06,09,115 Loans and advances are lower at Rs 61,42,331 against Rs 64,20,628 Investments were higher at Rs 87,70,994 against Rs 73,68,138 and the cash balance was also higher at Rs 17,97,327 against Rs 17,40,232 The profit for the year ended March, 1939 has increased by Rs 29,523 from Rs 3,03,124 to Rs 3,32,647

The dividend has been maintained at 4 annas 6 pies per share Rs 10,000 is written off Premises Account, Rs 50,000 is transferred to Reserve Fund and Rs 25,000 to Dividend Equalisation Fund The amount carried forward was higher at Rs 1,05,510 against Rs 1,02,301 Year ended March

(000's omitted)	1937 Rs	1938 Rs	1939 Rs
Liabilities—			
Capital	39,90	39,90	39,90
Amount received on forfeited shares	5	5	5
Reserve Fund	7,25	7,50	8,00
Deposits	1,04,24	1,06,09	1,16,95
Bills for collection	66	62	39
Other items	1,74	1,20	1,33
Profit and loss A/c	3,58	4,07	4,35
Total	1,57,42	1,59,43	1,70,97
Assets—			
Cash	22,55	17,40	17,97
Investments	73,43	73,68	87,71
Loans & Advances	56,07	64,21	61,43
Bills receivable	66	62	39
Bank premises	3,40	3,30	3,39
Other items	1,31	22	8
Total	1,57,42	1,59,43	1,70,97
Percentage of total of capital and reserve to deposits	45 2	44 7	41 0
Percentages of cash to deposits	21 2	16 4	15 4
Percentage of liquid assets to deposits	92 1	85 9	90 4
Profit and Loss items—			
Brought forward	93	1,04	1,02
Net Profit	265	3,03	3,33
Dividend Distribution	200	2,24	224
Allocation to funds	25	50	75
Carry forward	104	1,02	1,06
Dividend per cent	5	5⅝	5⅝

INDIAN CO-OPERATIVE BANKS

BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK LIMITED

The Bihar and Orissa Provincial Co-operative Bank, registered under the Co-operative Societies Act II of 1912, has a paid-up capital of Rs 6,11,400 Reserve funds amount to Rs 7,74,884 The Bank experienced another unsatisfactory period during the year 1937 The Central Banks, as before, have shown little progress in recoveries and consequent arrears to them in principal as well as in interest have increased during the year The policy of taking over the management of some of the weak central banks which were thus heavily indebted to them has proved to be of advantage in making their management more efficient than hitherto The directors after taking 4 central banks in the previous year, have decided to take over the management of five more central banks in the succeeding year Deposits have fallen further from Rs 75 lakhs to Rs 69 lakhs which are

mainly due to the loss of credit of Co-operative Banks arising out of the inability of some of the central banks to meet their liabilities This withdrawal necessitated the sale of government securities of the value of Rs 8 lakhs Thus investments have fallen from Rs 36 lakhs to Rs 28 lakhs The Bank earned over this a premium of Rs 36,914 This premium together with amount received from the income-tax office as refund of income-tax amounting to Rs 35,135 and the balance available in the rebate account have been transferred to the Contingency Reserve Account during the year under review No dividend has been declared this year too The amount carried forward is higher at Rs 98,395 against Rs 79,017 in the previous year

The profit was Rs 29,673 as against Rs 36,523 in the previous year and Rs 90,094 in 1935 The profit was considerably low due to the substantial concessions in rates given to Central Banks to safeguard their investments Year ending December

(In 000's omitted)

	1935	1936	1937
Assets—	Rs	Rs	Rs
Capital	6,11	6,11	6,11
Reserves	7,09	7 21	7,75
Deposits	77,70	75,01	68,94
Other items	20,08	21,01	18,17
Profit & Loss Account	57	79	98
Total	1,11,55	1,10,13	1,02,25
Liabilities—			
Cash	76	66	40
Investments	39,99	36,19	28,10
Loans & Advances	62,72	64,21	64,01
Other items	7,53	8,52	9,22
Property, etc	55	55	52
Total	1,11,55	1,10,13	1,02,25
Profit and Loss Items—			
Brought forward	2	57	79
Net Profit	90	37	30
Allocation to funds	30	12	10
Dividend distribution	Nil	Nil	Nil
Carry forward	57	79	98
Dividend per cent	Nil	Nil	Nil

BOMBAY PROVINCIAL CO-OPERATIVE BANK, LIMITED

Amongst the central provincial co-operative banks, the Bombay Provincial Co-operative Bank occupies an important place alike by the vastness of its resources, the wide sphere of its activity and the genuine spirit of co-operation actuating those at the helm of affairs The Bank has a fine net work of branches, there being over thirty branches It completed 25 years of its working on the 11th October, 1936 To mark the occasion in a suitable manner, out of the profits of the year an additional dividend at the rate of 1 per cent per annum was allowed to the members A special bonus to the Staff and a special rebate to the borrowing societies were allowed The Chairman of the Bank is Mr R G Saraiya V Mehta

The resources of the Bank increased during the year by Rs 10 lakhs, there being an increase of about Rs 2½ lakhs by way of fixed deposits and of Rs 7½ lakhs in other types of deposits The bulk of the increase occurred among the deposits held by central banks and societies

The total amount invested by way of overdrafts, cash credits, loans and other advances declined during the year from Rs 98 lakhs to Rs 90 lakhs While there was an increase of about Rs 4 lakhs in advances against agricultural produce and Rs 3 lakhs in the loans outstanding from societies in liquidation there was a reduction of Rs 6 lakhs in ordinary loans and Rs 9 lakhs in cash credits and overdrafts The progress of recovery from these societies continues to be extremely low

Owing to the increase in the Bank's resources and the decline in outstanding loans, funds had to be invested on a larger scale than in the previous year outside the movement The balance held with approved banks in current accounts and by way of short-term deposits increased by about Rs 22 lakhs, as compared with the previous year The Bank's investments in Government and other trustee securities which amount to Rs 68 1/3 lakhs, represent about 37 per cent of the demand liabilities of the bank The time liabilities apart from the debentures amount to Rs 81 lakhs and the demand liabilities to Rs 101 lakhs At the close of the year the cash on hand and balances in banks amounted to about Rs 16 lakhs which is over 15 per cent of the demand liabilities of the bank These figures are exclusive of short-term deposits with approved banks amounting to Rs 37 lakhs

With a rise in the price of jaggery, repayments from societies in the Deccan Canal areas were better than for several years past Special steps were also taken in those areas to facilitate the recovery of the frozen outstandings In a few other areas also, the appointment of special staff

by the bank led to an improvement in the work of recovery It is due to the effect of these factors and the concessions in interest allowed to societies in the Deccan Canal areas, which are continued from year to year, the profits of the bank remain the same as in the previous year The Bank has recommended a dividend of 4 per cent instead of 5 per cent as in the previous year The first reason responsible for the adoption of a lower dividend is the change that the Bank's holdings in securities has undergone during the year The Directors have thought it prudent to convert the premium securities into discount securities, as with the approach of the dates of the maturity of the former securities, the premium at which they were originally purchased was bound to disappear In the process of conversion, and due to the decline in security prices, the difference between the cost price and the market prices has practically disappeared In future years, moreover, the income this source may be on a lower scale than in the past few years The second factor responsible for the adoption of a lower dividend basis is the need for reviewing the position in respect of bad and doubtful debts The amount carried forward is slightly lower at Rs 21,369 against Rs 25,992 in the previous year

(000's omitted)

	1939 Rs	1938 Rs	1937 Rs
Liabilities—			
Capital	13,00	13,00	12,98
Debenture	12,80	12,80	12,80
Reserve funds	18,96	16,90	16,44
Deposits	1,83,72	1,73,05	1 93 14
Bills for collection as per contra	1,16	1,58	1,65
Other items	3,67	6,27	5,71
Profit and Loss	1,36	1,36	1,41
Total	2,34,67	2,24,96	2 44,13
Assets—			
Cash	53,31	31,58	80,41
Investments	75,58	79,70	63,79
Loans and Advances	98,65	1,07,99	91,35
Bills Receivable as per contra	1,16	1,58	1,65
Property, etc,	37	38	42
Other items	5,60	3,73	6,51
Total	2,34,67	2,24,96	2,44,13
Profit and Items—			
Brought forward	26	27	42
Net Profit	1,10	1,09	99
Dividend distribution	52	65	65
Allocation to Funds	53	30	10
Carry forward	21	26	27
Dividend per cent	4	5	6*

*Includes Silver Jubilee Bonus of 1 per cent,

THE MADRAS PROVINCIAL CO-OPERATIVE BANK LTD

The Madras Provincial Co-operative Bank is, perhaps, the most puissant of the Provincial Co-operative Central Banks The President of the bank is Mr V Ramdas Pantulu and the Acting Secretary is Mr T Raghavendra Rau The Bank has a Reserve Fund of Rs 16½ lakhs, a Building Fund of Rs 29,784 and a Depreciation Reserve Fund of Rs 5,49,781 lakhs Cash and other balances have decreased from Rs 14,13,376 to Rs 9,31,127 Deposits were lower at Rs 1,62,92,131 against Rs 1,67,02,681 in the previous year

The profits for the year ended June, 1938 are higher at Rs 2,93,184 against Rs 1,97,722 in the previous year Rs 73,296 being one-fourth of the net profit is transferred to Reserve Rs 21,988 against Rs 14,826 is transferred to Common Good Fund, Rs 43,977 against Rs 29,650 to Building Fund, Rs 50,219 against Rs 50,000 to Depreciation Reserve, and Rs 26,704 against Rs 569 to Reserve Fund The dividend declared is maintained at 9 per cent per annum and the amount carried forward is Rs 39,139 against Rs 25,699 previously Year ending June

(In 000's omitted)

	1936 Rs	1937 Rs	1938 Rs
Liabilities—			
Capital	6,59	6,59	6,56
Reserve other funds	20,02	19,43	22,29
Debentures	2,15	2,15	2,15
Provident Fund	90	1,00	7,45
Deposits	1,65,18	1,67,03	1,55,47
Other items	3,11	2,67	11,14
Profit & Loss Account	2,40	2,34	3,19
Total	2,00,35	2,01,26	2,08,25
Assets—			
Cash	18,28	14,13	9,31
Investments	1,44,38	1,42,48	1,26,64
Loans, Advances, etc	35,11	44,41	69,89
Lands and other fixed assets	18	18	24
Other items	2,40	6	2,17
Total	2,00,35	2,01,26	2,08,25
Profit & Loss Items—			
Brought Forward	37	36	26
Net Profit	2,02	1,98	2,93
Dividend Distribution	59	59	59
Allocation to funds	140	95	2,16
Carry forward	36	26	39
Dividend per cent	9	9	9

BRITISH BANKS

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

Among the Eastern Exchange Banks operating in India, the Chartered Bank of India, Australia and China, is a premier institution, alike in the size of its capital and the extent of its banking resources The bank was founded in 1853 and is one of the few banks which are at present operating under Royal Charter It has a widespread branch organisation in India, Dutch East Indies, China, Japan and Federated Malay States and has important offices in New York and Hamburg The P & O Banking Corporation was amalgamated early in 1939 with this bank

The bank shows the biggest decline in profits, for, of the four Eastern Exchange Bank operating in India, it is the only one with an extensive connection in the Far East, and its business there must have been adversely affected by the war Net profits are, in fact, down by £155,756 to £335,309, and the dividend has been reduced from 14 per cent to 10 per cent The balance sheet shows, however, a very liquid position, for cash, though lower on the year, is still at the high figure of £6,014,530, while the total of current and fixed deposits is down from £19,741,351 to £16,191,968 £35,000 against the same in the previous year has been transferred to Officers' Pension Fund and nothing against £40,000 to contingencies Fund The amount carried forward is slightly higher at £179,094 against £178,785 brought in

(000's omitted)

	1936	1937	1938
	£	£	£
Liabilities—			
Capital	3,000	3,000	3 000
Reserve Fund	3,000	3,000	3,000
Notes in circulation	1,609	1,689	1 580
Deposits	48 181	19,741	16,191
Bills payable	1,992	2,641	1,704
Acceptances on customer's account	1,638	468	419
Other items	4,597	3,136	4,264
Profit & Loss Account	468	464	364
Total	61,508	64,139	60,522
Assets—			
Cash	[illegible],605	7,160	7,610
Investments	23,111	21,291	23,159
P & O Banking Corporation	2,316	2,317	2 320
Bills of Exchange including Treasury Bills	8 239	10,159	7,946
Bills & Loans	20 599	20,796	16,589
Acceptances for customers	1,638	468	419
Bank Premises	1,552	1,870	2,079
Other Items	405	75	170
Total	64,508	64,139	60,522
Percentage of capital & reserve to deposits	12 5	12 1	1 30
Percentage of cash to deposits	13 07	14 1	16 4
Percentage of liquid assets to deposits	61 7	57 2	67 1
Profit and Loss Items—			
Brought forward	181	183	179
Net Profit	497	490	335
Dividend Distribution	490	420	300
Allocation to funds	75	75	35
Carry forward	183	179	179
Dividend	14	14	10

EASTERN BANK LIMITED

The Eastern Bank, a comparatively late entrant into the field of Eastern Exchange, was founded in 1909 and has established branches not only in India but in Mesopotamia, Singapore and Ceylon

[illegible] providing for income tax, National Defence contribution, and after appropriations to the Contingencies Account is £111,601 against £127,173 in the previous year Deposits have [illegible] from [illegible] to [illegible] decreased from [illegible] Investments shown [illegible] at £5,937,961, while cash and other balances stand at £1,232,536 £40,000 against £50,000 previously has been allocated to funds The dividend has been maintained at 7 per cent, less income tax The carry forward is higher at £82,792 against £81,191 in the previous year Year ending December

(000's omitted)

	1936	1937	1938
Liabilities —	£	£	£
Capital	1,000	1,000	1,000
Reserve Fund	500	500	500
Deposits	7,772	7,117	7,500
Bills of Acceptance	950	777	769
Loans payable against Bills and securities	1,170	1,462	1,314
Other items	19	29	275
Profit and Loss A/c	164	171	163
Total	11,905	11,921	11,521
Assets—			
Cash	1,123	1,107	1,232
Investments	6,084	5,401	5,938
Bills receivable	950	1,165	810
Customer s Liabilities for Acceptances	771	777	769
Loans and Advances	2,757	3 304	2,599
Property	163	155	156
Other Items	49	12	17
Total	11 905	11,921	11,521
Percentage of total of capital and reserves to deposits	19 3	21 1	20 0
Percentage of cash to deposits	14 5	15 6	16 4
Percentage of total liquid assets to deposits	92 7	91 4	95 6
Profit and Loss Items—			
Brought forward	62	74	81
Net Profit	132	127	111
Dividend distribution	70	70	70
Allocation to funds	50	50	40
Carry forward	74	81	83
Dividend rate per cent	7	7	7

GRINDLAY & COMPANY, LTD

Grindlay and Company, which was founded in 1828, caters mainly for the Indian service, at Bombay, Calcutta, Simla, Delhi, New Delhi, Lahore, Peshawar City, Peshawar Cantonment, Quetta and Karachi. The bank is controlled by the National Provincial Bank, which acquired the partners' interests in 1923 The partnership was converted into a private limited liability company in 1924 under the name of Grindlay and Company Limited, with a paid-up capital of £250,000

The Company does not engage to any large extent in ordinary commercial banking, and it is not therefore surprising that the yearly figures show no outstanding movement though the tendency has suggested healthy development within the bank's special sphere Deposits, which had for many years previously shown a progressive increase, were almost fully maintained in 1938 despite the repercussions of the international crisis, while the contraction in the composite item of loans and discounts—the ratio of which fell from 50 to 47 per cent was probably confined to Treasury Bills Investments remained the largest item among the bank's assets, and, as usual, included a large proportion of Indian Government stocks, the holding of which amounted to £893,917 compared with £409,402 of securities issued or guaranteed by the British Government, Colonial Government and County and Municipal securities of £306,438 and other investments of £142,445 The bank does not issue a profit statement, the balance of revenue, together with provision for doubtful debts and contingencies, being included among deposits

	1936	1937	1938
Liabilities—	£	£	£
Capital	250,000	250 000	250,000
Reserve Fund	100,000	100,000	100,000
Deposits	3,435,858	3,535,188	3,518 446
Acceptances etc ,	160,409	444 ,565	270,091
Total	3,946,267	4,329,753	4,138,537
Cash	251,392	237,770	217,796
Call money	130,000	145,000	187,500
Investments	1,867,487	1,663,801	1,752,201
Loans, bills etc ,	1,482,790	1,781,87	1,654,459
Acceptances as per contra	160,409	444,565	270,091
Premises	56,791	56,791	56,490
Total	3,946,267	4,329,753	4,138,537

HONGKONG & SHANGHAI BANKING CORPORATION

The Hongkong & Shanghai Banking Corporation owes its existence to a special ordinance of the Legislative Council of Hongkong in 1867 The Bank has a particularly strong reserve position, there being a sterling reserve of £6 5 million

In view of the difficult situation in the Far East exchange bankers have had to cope with a difficult and tense situation during the first nine months of 1938 The accounts of the Bank for December 31, 1938 reveal an expansion of $10 3 millions in excess of note issue and one of $23 8 millions in current accounts Fixed deposits are reduced by $11 9 millions The liquidity of the bank is very well maintained, for cash is $42 2 millions higher and investments £29 8 millions higher The difficulties under present conditions are illustrated by the decreases of $13 3 millions in discounts and advances and $45 7 millions in bills receivable

(In 000's omitted)

Liabilities—	1936 £	1937 £	1938 £
Capital	15,810	15,810	15,810
Reserve Fund	9,000	9,500	9,500
Deposits	106 067	110,078	397,674
Acceptances	1,055	3,610	2,931
Endorsements etc	28,917	24,902	37,611
Profit and Loss Account	1,225	1,198	1,179
Total	165,074	465,098	464,705
Assets—			
Cash	102,365	88,450	90,769
Investments	157,177	114,003	148,863
Bills discounted	4,020	13,017	
Investments in subsidiary companies	3,380	3,579	3,678
Loans and Advances	149,279	170,814	164,402
Customer acceptances	4,055	3,610	2,931
Endorsements, etc	28,917	24,902	37,611
Property	9,169	9,169	9,239
Other items	6,412	7,524	7,212
Total	165,075	465,098	464,705
Percentage of Capital and Reserve to deposits	6 1	6 2	6 4
Percentage of Cash to deposits	25 2	21 5	22 8
Percentage of liquid assets to deposits	63 9	49 2	60 3
Profit and Loss items—			
Brought forward	516	540	525
Net profit	1,744	1,833	1,705
Dividend distribution	1 392	1,369	1,303
Allocation to funds	350	500	400
Carry forward	540	525	527
Dividend per cent	(*a*) 12 (*b*) 5	(*a*) 12 (*b*) 5	(*a*) 12 (*b*) 5

'A' Shares
B' Shares

MERCANTILE BANK OF INDIA, LTD.

The Mercantile Bank of India was registered in 1892, and it has had long and influential connections in India In addition, the bank has branches and agencies in Ceylon, Malaya, China, Siam and Mauritius

An Associated Company has been formed for the transaction of Trustee and Executorship business in Malaya and has been registered in Penang under the title of the Mercantile Bank of India (Trustees) Limited

Of the four banks operating in India and other Eastern countries, the Mercantile Bank of India makes the most satisfactory showing so far as profits are concerned In what must have been a difficult year for all of them, it is able to show slight increase in net profits from £183,497 to £192,443

Deposits have fallen from £16,025,388 to £14,852,169 Loans and advances were £5,416,045 against £6,887,963 in the previous year Cash and other balances were slightly higher at £2,706,484 against £2,232,768 previously and also investments at £8,131,718 against £7,237,986 The dividend has been maintained for the year at 12 per cent The amount carried forward is higher at £177,770 against £173,327 in the previous year Year ending December

(000's omitted)

Liabilities—	1936 £	1937 £	1938 £
Capital	1,050	1,050	1,050
Reserve Fund	1,075	1,075	1,075
Notes in circulation	254	327	277
Current, fixed deposits etc	14,675	16,026	14,852
Bills payable	621	609	540
Loans payable against security	250		135
Balance due to subsidiary companies	38	43	43
Acceptance for customers	269	308	188
Profit and Loss account	236	236	241
Total	18,468	19,674	18,401
Assets—			
Cash and bullion	1,847	2,233	2,707
Deposits against note issue	389	419	370
Investments	6,637	6,819	7,760
Bills receivable	2,752	2,283	1,351
Bills discounted	23	16	28
Loans and advances	5,866	6,888	5,416
Customers liabilities for acceptances	269	308	188
Premises	337	321	305
Other items	348	387	276
Total	18,468	19,674	18,401

Nevertheless, net profits have been maintained at $15 3 millions, or at practically the same level as in 1937, and the 1937 dividend of £5-10-0 per share is repeated

(000's omitted)

	1936 $	1937 $	1938 $
Liabilities			
Capital	20,000	20,000	20,000
Sterling reserve	101 874	104,874	104,874
Silver reserve	10,000	10,000	10,000
Notes in Circulation	127,636	200,254	210,579
Deposits, etc	837,914	860,160	872,972
Bills payable	14,822	21,501	21,111
Acceptances on Account of constituents	3,307	3,409	2,560
Profit and Loss Account	12,085	12,127	12 115
Total	1,130,668	1,232,325	1 253,841
Assets			
Cash and bullion	197,465	87,321	129,461
Investments	301,420	491,944	535,171
Loans and Advances, etc	493,813	467,315	454,001
Bills receivable	112,891	158,535	112,845
Constituents as per contra	3,307	3,409	2,560
Bank premises	21,772	20,801	19,803
Total	1,130,668	1,232,325	1,253,811
Percentage of capital and reserves to deposits and notes in circulation	14 0	12 7	39 6
Percentage of cash to deposits and notes in circulation	20 5	8 2	12 0
Profit and Loss Items—			
Brought forward	3,395	3,391	3,383
Net profit	15,107	15,432	15,297
Dividend distribution	14,011	14 309	14,283
Allocation to funds	1,000	1,000	1,000
Carry forward	3,341	3,383	3,401
Dividend per share	£5½	£5½	£5½

LLOYDS BANK, LIMITED

Lloyds Bank, the second largest commercial bank in England, was incorporated in 1865 as an amalgamation of two Birmingham banks By 1913 it had acquired 45 other banks, and had, largely through these absorptions, widely distributed branches in 45 of the 52 counties, including offices in the Metropolitan area In 1918 the Company absorbed the Capital and Counties Bank, a purchase which greatly strengthened its position in London and gave it 473 additional branches, including 259 in the Eastern countries and other areas in which it had previously been almost entirely unrepresented In the same year it further extended its territory by acquiring control of the National Bank of Scotland, and in 1919 by absorbing the West Yorkshire Bank, an institution closely associated with the woollen and worsted industries, with deposits of over £10 millions In 1918 Lloyds Bank acquired the London and River Plate Bank The latter, with head office in London, became amalgamated with the London and Brazilian Bank, the new insitution being known as Bank of London and South America, Limited Branches in Egypt, India and Burma were secured for the first time in 1923, on the acquisition of Cox and Company, which with desposits of £16,600,000, possessed seven branches in India and two in Egypt

To take the liabilities side first, the total due on current, deposit and other accounts has been comparatively maintained at a figure showing a reduction of £12,000,000 in the year The other item worthy of special remark is that under the heading of endorsements, guarantees and other obligations This shows the large increase of about £12,750,000 , and is almost entirely due to forward exchange operations

On the asset side of the balance sheet, the liquid assets of cash, money at call, etc , bear very much the same proportions to the deposits Investments show a decrease of £6,000,000, and this is due to two main causes The larger part is the result of actual sales, or repayment of investments reaching maturity or drawings for payment, and a substantial sum has been taken from the interest received on those which were bought at a premium in order to write them down to par by the first maturity date The ratio of readily mobilisable assets to deposits was still in excess of normal requirements amounting to 31 4 per cent as against 31 1 per cent Loans and advances, the most important item, show a reduction of £6 000 000 which is due to the absence of willing and creditworthy borrowers

The profit for the year, though affected by reduced turnover and increased costs still comfortably permitted of the maintenance of dividends at 12 and 5 per cent per annum on 'A' and 'B' shares, the appropriation of £300,000 as extra provision for contingencies and the transfer of £100,000 to bank premises account Year ending December

Profit and Loss items —			
Brought forward	174	173	[illegible]
Net Profit	182	183	[illegible]
Dividend distribution	126	126	126
Allocation to funds	57	57	62
Carry forward	173	173	178
Dividend rate percent	12	12	12

NATIONAL BANK OF INDIA, LTD.

The National Bank of India Limited was originally founded in Calcutta as a Rupee company in 1863, but was soon after registered in England and converted into a sterling Company It has important business in East Africa, Kenya and Uganda The General Manager of the Bank is Mr E H Lawrence and Mr R L Hird has been appointed as London Manager

The accounts for the year ended December, 1938 show a decrease of £2,610,220 in deposits at £27,856,726 against £30,466,946 in the previous year, while loans and advances show a slight increase at £10,118,561 against £10,073,728 Investments were lower at £13,518,824 against £15,304,064, while cash and other balances were also lower at £4,861,444 against £5,303,153 The profit for the year is slightly lower at £444,063 against £465,862 previously The dividend declared is lower at 16 per cent per annum as against 18 per cent per annum £50,000 against the same has been transferred to the Officers' Pension Fund and £75 000 against £50 000 has been written off House Property Account, leaving a balance of £248,880 against £249,817 to be carried forward

Year ending December

(000's omitted)

	1936	1937	1938
Liabilities—	£	£	£
Capital	2,000	2,000	2 000
Reserve Fund	2,200	2,200	2,200
To current, fixed deposits etc	30,028	30,467	27,857
Bills payable	646	663	477
Acceptances for customers	330	472	327
Profit and loss account	524	530	534
Total	35,728	36,332	33,395
Assets—			
Cash and bullion	5,411	5,303	4,861
Investments	14,521	15,304	13,519
Bills of Exchange including Treasury Bills	4,809	4,525	3,638
Loans and discounts	10,005	10,074	10,118
Customers liabilities for acceptance	331	472	327
Premises, etc	618	633	932
Total	35,728	36,332	33,395
Percentage of total capital and reserves to deposits	13.[illegible]	15.8	15.1
Percentage of cash to deposits	18.0	17.4	17.4
Percentage of total of liquid assets to deposits	66.4	66.7	66.0

THOS COOK & SON (BANKERS) LTD

This institution dates in its present form from 1924, when Thos Cook and Son, tourist agents and English and foreign bankers, decided, for family reasons, to convert their business into two limited liability companies, one of which, named Thos Cook and Son (Bankers), Limited took over the banking section The parent company retained the whole of the capital of the banking subsidiary, and subsequently that of Thos Cook and Son Limited was itself acquired by the International Sleeping Car and European Express Trains Company Each company has retained its separate identity, but works in close co-operation with the other

The balance-sheet as at 31st October, 1938 of Thos Cook and Son (Bankers) shows current, deposit and other accounts at £4,022,180, a decrease of £447,730 compared with the 1937 figure

Of the investments, which appear at below market values, £721,355 is represented by British Government securities Cash stands at £780,687 The accounts show that deposit and other liabilities are covered by cash and short term loans by about 73 per cent

In assessing the strength of the position of Thos Cook and Son (Bankers), regard must be had to the date of the balance-sheet, 31st October last and to the circumstances prevailing at that time Only a month had elapsed since the

Czecho-Slovakian crisis, and the accompanying withdrawals from London of foreign funds had scarcely ceased These might have been expected to affect seriously a bank with such wide ramifications as Thos Cook and Son (Bankers) In the circumstances a drop in its deposits only from £4,469,900 in 1937 to £4,022,200 (a trifle above the 1936 level) speaks well for the confidence reposed in it The very ample extent of its liquid resources is one of a number of strong points, including a reserve equal to the capital of £125,000 and backed by substantial internal reserves

The chief movement among the assets is a contraction of £1,008,500 in interest-bearing deposits, which now stand at £1,679,500 This put the bank in a position to meet forthwith any potential demands, but while raising its cash total by £240,700 to £780,000, it has been able to augment its earning assets in other directions Indian Treasury bills stand at £239,200, against £18,900, while £140,400 more has gone into investments, which at £781,500 include £721,400 of British Government securities and are taken at under market values Money at call is £50,000 up at £300,000, and altogether deposits are covered to the extent of 73 per cent by cash and short loans upholding excellently the bank's reputation for a high degree of liquidity

(In 000's omitted)

Liabilities—	1936	1937	1938
	£	£	£
Capital	125	125	125
Reserve Fund	125	125	125
Current deposits and other accounts	4,017	4,470	4,022
Balance due to Subsidiary companies	41	58	63
Liability to customers as per contra	24	28	26
Total	4,332	4,806	4,361
Assets—			
Cash and other balances	3,335	3,705	2,617
Investments	603	641	1,081
Bills discounted	10	20	240
Investment in subsidiary companies	20	20	20
Advances	283	336	324
Bank premises	57	55	58
Liability to customers for engagements as per contra	24	29	26
Total	4,332	4,806	4,361
Percentage of capital and reserve to deposits	6 2	5 6	6 2
Percentage of cash to deposits	83 2	82 9	65 0

FOREIGN BANKS

AMERICAN EXPRESS CO , INC

The American Express Company, Inc , and the companies with which it is affiliated, offer an international service in three closely related fields—financial, shipping, and travel This service is available at offices in the principal commercial and tourist centres of the globe and through approximately ten thousand banking, travel and shipping correspondents Financial operations include foreign exchange, remittances of money to foreign countries, letters of credit, travellers' cheques and money orders also banking facilities at most of its foreign offices Shipping activities comprising shipping of merchandise and/or valuables, custom house brokerage marine insurance, warehousing and reforwarding, issuance of through bills of lading Travel activities comprise the sale of steamship, railroad, and airway tickets, arrangements for excorted and indenendent tours, special cruises, the making of hotel and other reservations the furnishing itineraries and, in general, the conduct of a tourist business on a large scale

(000's omitted)

Liabilities—	1936	1937	1938
	$	$	$
Capital	6,000	6,000	6,000
Surplus and Undivided Profits	2,270	2,351	2,414
Reserves	1,092	1,118	1,218
Deposits	18,928	18,701	22,142
Cheques and drafts not yet presented for payment	3,995	3,529	3,803
Acceptance and letters of credit for customers	656	1,411	754
Other items	2,106	2,411	2,436
Total	35 047	35,516	38,767
Assets—			
Cash	10,853	6,800	9,062
Investments	18,655	16,985	19,163
Loans and discounts	5,037	5,215	5,326
Property	2,490	2,427	2,404
Customers' liability for acceptances and letters of credit	656	1,411	754
Other items	2,256	2,678	2,058
Total	35,047	35,516	38,767

Percentage of total of Capital and Reserve to deposits	19 5	50 6	32 6
Percentage of cash to deposits	57 3	36 1	10 9

BANK OF TAIWAN, LIMITED

Especially chartered by the Japanese Government and the only Currency Note issuing Exchange Bank in Formosa Japan, the Bank of Taiwan was established in June, 1899 in Formosa There are branches and Agencies throughout the world Bombay Branch was established in December, 1917

(Yens-000's omitted)

Liabilities—	1936	1937	1938
Capital	15 000	15 000	15,000
Reserves	5 100	6,300	7,500
Notes in circulation	79,138	112,033	110 019
Deposits	266,871	269 453	327,610
Bills	93 873	73,336	51,241
Acceptances	5,531	12,022	8,073
Other items	2,357	4,718	2 643
Profit & Loss Account	1,137	1,390	1,863
Total	469,010	523,982	556,949

Assets—			
Cash	25,928	78,380	104,440
Bills discounted	217,438	235,085	230,088
Acceptances as per contra	5 531	12,022	8,073
Investments	122,434	117 370	137,765
Other items	92,361	74,340	69,889
Premises	5,325	6,783	6,694
Total	469,010	523,982	556,949

Profit and Loss Items—			
Brought forward	193	407	517
Net Profit	945	982	1,316
Dividend distribution	197	313	328
Allocation to funds	600	600	700
Dividend per cent	3	4	
Carry forward	290	477	785

NATIONAL CITY BANK OF NEW YORK

Till a few years ago, the National City Bank of New York had the distinction of being the largest bank in the world alike in regard to capital, reserves and deposits The first place has now, however, been secured by the Chase National Bank, which as a result of the latest amalgamation has now the world record figure for capital, reserves and deposits It may be said the the National City Bank of New York is to-day the second largest bank in the world The paid-up capital is $77 5 millions surplus $40 25 millions while undivided profits are $13 55 millions

The net earnings of the Bank for the year just ended were $10,547,750 49, including $2,856,889 72 of bond profits which were transferred to reserves These figures of net earnings are not precisely comparable with those reported a year ago, but if 1937 earnings were figured on the same basis as this year's they would show net earnings of $9,584,952 80, including $2,081,548 80 of bond profits Dividends of $6,200,000 00 have been paid and $1,400,860 77 carried to Undivided Profits After transferring $2,250,000 to Surplus, in accordance with law, Undivided Profits stood at $13,554,939 68 at the year-end

The Bank's deposits are the largest ever reported at the year-end by Bank The principal figures and a 1937 comparison (given in millions of dollars) are as follows —

	31st December 1937	31st December 1938
Head Office	938	1,013
Domestic Branches	499	541
Foreign Branches	275	281
Total	1,712	1,835

The following tabulation summarises (in millions of dollars) the major changes in the principal asset items —

	31st December 1937	31st December 1938
Cash and due from Banks	517	532
Securities of U S Govt and Federal Agencies	527	709
State and Municipal securities	76	56
Other securities	87	69
Loans and discount	609	522
Bank premises	51	47

The increase in cash items reflects a general condition among the banks due to gold imports and government monetary policy The decrease in business loans and corporate security holdings has been offset by an increase in United States Government Securities Of these Government and Government Agency Securities about 473 million dollars or 67 per cent mature within 5½ years. Of the State and Municipal Securities about 75 million dollars or 87 per cent mature within the next five years

The Trust Company earned $909,928 88 for the year, including bond profits, compared with $2,026,003 65 in 1937 Of

these earnings, $700,000 was transferred to reserves and the balance of $209,928 88 was added to Undivided Profits After recoveries and year-end adjustments this account stood at $4,438,098 50 No dividends were paid by the Trust Company during the year The Personal Trust Department received a satisfactory amount of new business during the year and the number of wills deposited with the Company has continued to increase

	1936	1937	1938
($ 000's omitted)	$	$	$
Liabilities—			
Capital	77,500	77,500	77,500
Reserve	13,822	14,125	11,882
Surplus	42,500	44,249	46,500
Deposits	1,713,840	1,711,552	1,835,287
Acceptances and Bills	43,675	33,272	24,459
Other Items		4,304	
Undivided profits	13,463	14,314	13,555
Total	1,904,800	1,899,316	2,009,183
Assets—			
Cash	463,259	516,778	538,210
Investments	754,919	690,261	864,240
Loans & Advances	588,349	609,441	521,981
Acceptances for customers	23,662	13,316	12,289
Stock in Federal Reserve Bank	3,600	3,652	3,705
Bank Premises	52,637	50,543	47,315
Other items	18,374	15,325	21,443
Total	1,904,800	1,899,315	2,009,183

YOKOHAMA SPECIE BANK, LIMITED

After due provision for all bad and doubtful debts, rebate on bills, etc , the net profit for the half-year ended December, 1938, was Yen 16,683,793 inclusive of Yen 10,422,028 brought forward from last account Notes in circulation stand at Yen 312,674 against Yen 881,502 in 1937 Deposits are higher at Yen 1,328,168,502 against Yen 623,131,077, while loans and advances have shown a slight increase to Yen 399,879,569 from Yen 386,652,402 Cash and bullion stand at Yen 325,407,260, while investments have increased by Yen 314,424,808 to Yen 750,896,984 Yen 1,250,000 against Yen 1,500,000 was added to the Reserve Fund The net profit has risen from Yen 6,238,700 to Yen 6,261,765, and the dividend is repeated at 10 per cent per annum The carry forward is Yen 10,433,793 against Yen 10,484,426 Year ended December

(000's omitted)	1936	1937	1938
Liabilities—	Yen	Yen	Yen
Capital	100,000	100,000	100,000
Reserves	134,554	137,993	140,695
Notes in circulation	1,242	882	313
Deposits	599,001	623,131	1,328,169
Bills payable, acceptances etc	685,775	719,576	561,102
Other items	2	3	2
Profit & Loss A/c	17,459	16,984	16,684
Total	1,538,033	1,598,569	2,146,965
Assets—			
Cash and Bullion etc ,	70,039	93,369	325,408
Investments	411,261	436,472	750,897
Loans and advances	385,912	386,653	399,879
Bills receivable	650,728	662,144	651,498
Premises etc ,	20,093	19,931	19,283
Total	1,538,033	1,598,569	2,146,965
Profit and Loss items —			
Net profit	7,012	6,239	6,262
Allocation to funds	1,750	1,500	1,250
Dividend distribution	5,000	5,000	5,000
Dividend per cent	10	10	10
Carry forward	10,709	10,484	10,434

POPULATION STATISTICS

AREA AND POPULATION OF PRINCIPAL COUNTRIES

Countries	Area in Square Miles	Latest Census year	Males	Females	Total population
			In Millions		
India	1,805,332	1931	181 9	171 1	353 0
Australia	2,974,581	1932	3 4	3 2	6 6
Union of S Africa (Whites only)	472,347	1931	9	9	1 8
Canada	3,729,665	1931	5 4	5 0	10 0
Great Britain and North Ireland	94,663	1931	22 1	24 0	46 1
United States of America	2,973,776	1930	62 1	60 6	122 8
Brazil	3,275,510	1920	15 4	15 2	30 6
Mexico	767,198	1930	8 1	8 3	16 4
China	4,278,352	1932			474 8
Japan	147,592	1930	32 4	32 1	64 5
Germany	181,723	1931	31 4	33 3	64 7
France	212,659	1931			41 8
Italy	119,713	1931	20 1	21 1	41 2
Soviet Russia (U.S S R)	8,241,921	1926	71 0	76 0	147 0

Infant Mortality

Death Under One Year for 1,000 Living Births

Countries	Annual Average between 1921-25	1926-30	1929	1930	1931	1932	1933*
(British) India	192	177	178	180			
Union of S Africa (White population only)	73	67	64	67	65	59	60
Canada	98	93	92	89	85		
Australia	58	52	51	47	42	41	39
United Kingdom	78	70	76	63	68	68	66
U S A	74	68	68	65	62	59	58
Japan	159	137	142	124	132	118	
Germany	122	94	96	85	83	79	76
France	95	89	93	78	76	76	75
Italy	126	119	125	106	113		

* Provisional figures

Annual Rate of Excess of Births for 1,000 Inhabitants

Countries	Annual Average between 1921 25	1926-30	1929	1930	1931	1932	1933*
British India	6 7	9 0	8 8	8 3	9 5		
Union of S Africa	17 4	16 4	16 7	16 7	16 0	14 4	14 4
Canada	16 2	13 0	12 2	13 2	13 1	12 5	
Australia	14 4	11 7	10 7	11 3	9 5	8 8	7 9
United Kingdom	8 0	4 9	3 1	5 1	3 8	3 5	2 4
U S A	10 7	7 9	7 0	7 6	6 7	6 5	
Japan	12 8	14 1	12 9	14 2	13 2	15 2	13 8
Germany	8 8	6 6	5 3	6 4	4 8	4 8	3 5
France	2 1	1 4	0 2	2 4	1 1	1 5	0 5
Italy	12 4	10 8	9 1	12·6	10 1	9 2	10 0

* Provisional figures

Annual Birth Rate for 1,000 Inhabitants

Countries	Annual Average between 1921-25	1926-30	1929	1930	1931	1932	1933*
India (British only)	32 7	33 2	32 7	32 9	34 3	..	
Union of S Africa	27 1	26 1	26 2	26 4	25 5	24 8	23 7
Canada	27 4	24 1	23·5	23 9	23 2	22 4	
Australia	23 9	21 0	20 3	19 9	18 2	16 9	16 8
U S A	22 5	19 7	18 9	18·9	17 8	17 4	
United Kingdom	20 4	17 2	16·7	16 8	16 3	15 8	14 9
Japan	34 6	33 4	32 7	32 4	32·2	32 9	31 6
Germany	22 1	18 1	17·9	17 5	16·0	15 1	14 7
France ...	19 3	18 2	17 7	18 0	17·4	17 3	16 3
Italy	29 7	26 8	25·6	26 7	24 9	23·8	23·5

*Provisional figures

Annual Death Rate for 1,000 Inhabitants

Countries	Annual Average between 1921-25	Annual Average between 1926-30	1929	1930	1931	1932	1933*
(British) India	26 0	24 2	24 0	24 8	24 8		
Union of South Africa	9 7	9 5	9 5	9 7	9 5	9 9	9 3
Canada	11 2	11 1	11 3	10 7	10 1	9 9	
Australia	9 5	9 3	9 6	8 6	8 7	8 1	8 9
United Kingdom	12 4	12 3	13 6	11 7	12 5	12 3	12 5
U S A	11 8	11 8	11 9	11 3	11 1	10 9	10 0
Japan	21 6	19 8	19 8	18 2	19 0	17 7	17 8
Germany	13 3	11 6	12 6	11 1	11 2	10 8	11 2
France	17 2	16 8	17 9	15 6	16 3	15 8	15 8
Italy	17 3	16 0	16 5	14 1	14 8	14 6	1[illegible]

*Provisional figures

The Population of Indian Provinces and States as per Census of 1931 and 1921

(Population in millions)

	1931 Census			1921 Census		
	Total	Males	Females	Total	Males	Females
Assam	8 6	4 5	4 1	7 5	3 9	3 6
Bengal	50 1	26 0	24 1	46 7	24 2	22 5
Bihar and Orissa	37 6	18 8	18 8	34 0	16 8	17 2
Bombay	22 2	11 7	10 5	19 8	10 2	9 2
Burma	14 7	7 5	7 2	13 2	6 8	6 4
Central Provinces and Berar	15 5	7 8	7 7	13 9	6 9	7 0
Madras	46 7	23 1	23 6	42 3	20 9	21 4
Punjab	23 6	12 9	10 7	20 7	11 3	9 4
U P	48 4	25 4	23 0	45 4	23 8	21 6
Baroda	2 4	1 3	1 0	2 1	1 1	1 0
Gwalior	3 5	1 9	1 6	3 2	1 7	1 5
Hyderabad	14 4	7 3	7 1	12 5	6 4	6·1
Kashmir	3 6	1 9	1 7	3 3	1 8	1 5
Mysore	6 6	3 4	3 2	6 0	3 1	2 9
Cochin	1 2	6	6	1 0	5	5
Travancore	5 1	2 6	2 5	4 0	2 0	2 0
Total British India	277 7	140 1	131 6	246 9	126 8	120 1
Total States and Agencies	81 2	41 9	39 3	72 1	87 2	34 9
Total Indian Populations	358 0	181 9	171 1	318 9	164 0	54 19

Population of the Indian Cities.

	Population in 1931	Population in 1921
Ajmer-Merwara—		
Ajmer	119,524	113,512
Bengal—		
Calcutta Proper	1,196,833	1,077,264
Howrah	222,488	195,301
Dacca	138,518	119,450
Bihar and Orissa—		
Patna	158,230	119,976
Bombay—		
Bombay	1,157,851	1,175,914
Ahmedabad	310,000	274,007
Karachi	260,639	216,883
Poona	163,100	214,796
Sholapur	135,632	119,581
Burma—		
Rangoon	400,415	345,621
Mandalay	144,899	148,917
C P and Berar—		
Nagpur	215,033	145,193
Jubbulpur	124,469	108,793
Delhi—		
Delhi	447,442	304,420
Madras—		
Madras	667,228	526,911
Madura	182,007	138,894
Trichinopoly	141,640	120,422
Salem	102,181	52,244
N.-W. Provinces—		
Peshawar	121,866	104,452
Punjab—		
Lahore	429,747	281,781
Amritsar	264,840	160,218
Multan	119,457	84,806
Rawalpindi	119,284	101,142
United Provinces—		
Lucknow	274,659	240,566
Cawnpore	243,755	216,436
Benares	205,315	198,447
Agra	229,764	185,532
Allahabad	183,914	157,220
Bareilly	144,031	129,459
Meerut	136,709	122,609
Moradabad	110,562	82,671
Baroda State—		
Baroda	127,327	94,712
Central India Agency—		
Indore	127,327	93,091
Hyderabad State—		
Hyderabad	377,006	404,187
Jammu and Kashmir—		
Srinagar	173,649	141,735
Mysore—		
Bangalore (including Civil and Military Station)	306,865	237,496
Rajputana Agency—		
Jaipur	144,179	120,207

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